

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

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

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~~24. "Registered independent contractor" means an independent contractor who has registered with the board pursuant to Regulation 14.021.~~

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

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14.021 Independent contractors; registration.

1. ~~An independent contractor whose software, source language or executable code has been compiled into the control program of a new gaming device or a modification to a gaming device submitted for approval must register with the board. The approval of the new gaming device or the modification to a gaming device will not be completed until such registration has been reviewed by the board.~~

2. ~~Registration as an independent contractor, as required by subsection 1 of this regulation, shall be made, processed, and determined using such forms as the chairman may require or approve. The information requested on the registration form shall be limited to the following:~~

~~(a) If the independent contractor is a natural person, the independent contractor's:~~

- ~~-(1) Name, including aliases, past and present;~~
- ~~-(2) Residential address or addresses for the last five years;~~
- ~~-(3) Contact information;~~
- ~~-(4) Employment information, both current and prior ten years; and~~
- ~~-(5) Date and place of birth.~~

~~(b) If the independent contractor is a business organization or association:~~

- ~~-(1) The name(s), address(es), and contact information of the organization(s) or association(s) under which the independent contractor does business;~~
- ~~-(2) The date and jurisdiction under which the independent contractor is registered as a legal entity;~~
- ~~-(3) To the extent existent, and where applicable law permits disclosure, the independent contractor's tax identification number; and~~
- ~~-(4) The names, and date and place of birth of the natural persons employed by the independent contractor who designed, developed, programmed, produced or composed the software, source language or executable code that has been compiled into the control program of a new gaming device or of a modification to a gaming device submitted for approval.~~

~~(c) For all independent contractors:~~

- ~~-(1) The name, address, and contact information of the licensed manufacturer with whom the independent contractor has entered into an agreement; and~~
- ~~-(2) A summary of the business and other arrangement between the licensed manufacturer and the independent contractor.~~

~~(d) A list and description of the following:~~

- ~~-(1) Any arrests of the independent contractor by law enforcement involving a felony or crime of moral turpitude and the resulting disposition;~~
- ~~-(2) Any incidences in which the independent contractor has, either individually or as part of a group, been refused a gaming license or otherwise found unsuitable by a regulatory body; and~~
- ~~-(3) Any privileged licenses held by the independent contractor and any current or past disciplinary against those licenses.~~

~~(e) A statement subscribed by the independent contractor that:~~

- ~~-(1) The information being provided to the board is accurate and complete;~~
- ~~-(2) The independent contractor agrees to cooperate with requests, inquiries, or investigations of the board and commission; and~~
- ~~-(3) The independent contractor acknowledges that the commission may demand that the independent contractor submit an application for finding of suitability as an independent contractor, and that a failure to submit such an application within 30 days of the demand may constitute grounds for a finding of unsuitability by the commission.~~

3. ~~The chairman, or the chairman's designee, may request additional information from an independent contractor to supplement the registration form. A request for additional information may be appealed using the administrative approval appeal process found under Regulations 4.190 and 4.195.~~

4. ~~An independent contractor is not considered registered until all of the above information, including any additional information requested by the chairman or the chairman's designee, has been provided and reviewed by the board, at which time the board shall issue written evidence of registration to the independent contractor.~~

~~5. By the 15th day of each January, a registered independent contractor shall inform the board in writing of any changes in the information on the independent contractor's registration form, or provide the board with a written notice affirmatively stating there have been no changes to that information. If such information or notice is not provided to the board within ninety days of January 15th of each year, the independent contractor's registration will lapse. An independent contractor whose registration has lapsed must re-register with the board pursuant to subsection 1 of this regulation in order to re-instate the independent contractor's registered status.~~

~~6. Until June 30, 2011, the registration requirement of subsection 1 of this regulation will not apply to an independent contractor performing work pursuant to a statement of work entered into with a licensed manufacturer prior to July 1, 2010, so long as the statement of work is not modified on or after July 1, 2010. Beginning July 1, 2011, the registration requirement of subsection 1 of this regulation will apply to all independent contractors regardless of the date of any statements of work.~~

~~7. Upon a showing of good cause, the chairman or his designee may waive the registration requirements of section 1. Any request for such a waiver must be in writing and submitted by the licensed manufacturer.~~

~~(Adopted: 4/22/10. Effective: 7/1/10.)~~

14.0215 Determination of suitability.

1. A person is not subject to licensing pursuant to subsection 1 of NRS 463.650 in connection with activities performed as an independent contractor provided that person complies with the requirements of this regulation governing independent contractors. Any other person who designs, develops, programs, produces or composes a control program for use in a gaming device in Nevada or for distribution from Nevada must be licensed in accordance with NRS 463.650.

2. An independent contractor may be required by the commission, upon recommendation of the board, to file an application for a finding of suitability to be an independent contractor for a licensed manufacturer.

3. The commission shall give written notice to the independent contractor of its decision to require the filing of an application for a finding of suitability. Unless otherwise stated by the commission in its written notice, an independent contractor who has been ordered to file an application for a finding of suitability to be an independent contractor may continue to perform under a contract with a manufacturer unless and until the commission finds the independent contractor unsuitable.

4. If the commission finds an independent contractor to be unsuitable:

~~(a) The registration of such independent contractor is thereupon cancelled;~~

~~(a)(b)~~ All licensed manufacturers shall, upon written notification, immediately terminate any existing relationships, direct or indirect, with such independent contractor;

~~(b)(c)~~ No new gaming device with a control program that contains software, source language, or executable code created in whole or in part by the unsuitable independent contractor shall be approved; and

~~(c)(d)~~ Any previously approved gaming device with a control program that contains software, source language, or executable code created in whole or in part by the independent contractor is subject to revocation of its approval if the reasons for the finding of unsuitability also apply to that gaming device.

5. Failure of a licensed manufacturer to terminate any association or agreement with an independent contractor after receiving notice of the determination of unsuitability constitutes an unsuitable method of operation.

6. The commission retains jurisdiction to determine the suitability of ~~a registered~~ **an** independent contractor regardless of whether or not ~~that registered~~ **the** independent contractor has any active agreements with licensed manufacturers, ~~allowed their registration to lapse~~, or is otherwise no longer functioning as an independent contractor.

7. A failure on the part of ~~the registered~~ **an** independent contractor to submit an application for a finding of suitability within 30 days after being demanded to do so by the commission shall constitute grounds for a finding of unsuitability of the independent contractor.

8. An independent contractor, or employee thereof, is not considered a gaming employee under NRS 463.0157 in relation to any work conducted designing, programming, producing or composing a control program within the scope of ~~the~~ an agreement entered into with ~~the~~ a licensed manufacturer. An independent contractor or employee thereof, is in no way exempt from being classified as a gaming employee under NRS 463.0157 for such work performed outside the scope of ~~the~~ an agreement with ~~the~~ a licensed manufacturer or for other work performed related to gaming.

14.023 Manufacturer's agreements with independent contractors. Any agreement between a licensed manufacturer and an independent contractor shall provide for termination without continuing obligation of the licensed manufacturer in the event the independent contractor:

1. Refuses to respond to information requests from the board;
2. Fails to file an application for a finding of suitability as required by the commission; or
3. Is found unsuitable by the commission.

14.024 Manufacturer's responsibilities for independent contractors. Each licensed manufacturer must:

1. Complete a review of any software, source language or executable code designed, developed, produced or composed by an independent contractor for compliance with all applicable regulations and technical standards of the commission and board prior to submission to the board; and

2. **As to such submission, Maintain a records of the general subject matter description of the** software, source language or executable code that was designed, developed, produced or composed by an independent contractor, by contractor name.

↳ Unless the chairman approves or requires otherwise in writing, such records shall be maintained for a minimum of five years from the date of the relevant submission and must be made available to the board upon request. Failure to keep and provide such records is an unsuitable method of operation.

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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 chairman. inter-casino linked system modifications may only be made by operators of such systems who have received prior written approval of the chairman. The chairman, in his 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 chairman may, in his 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 chairman.

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 chairman may, in his 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. The chairman may, in his sole and absolute discretion, waive the standards of subsections 1 and 6 of section 14.040 if the gaming device was originally approved by the commission prior to the effective date of this regulation. A waiver shall be effective when the manufacturer or operator receives a written notification from the chairman 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 chairman may prescribe. Each application shall include, in addition to such other items or information as the chairman 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~~ **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;

~~(d2) In the case of a gaming device a~~ **A** copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables;

~~(ed) In the case of a~~ **modification to the control program of a** gaming device ~~a listing of all independent contractors and a~~ **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 ~~the~~ **such** software, source language or executable code compiled into the control program ~~that is designed or developed by the independent contractor~~ as part of ~~any~~ **the** submission to the board; and

(f) 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 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.