

**PROPOSED AMENDMENTS TO REGULATION 22.120 AND 22.140;
PROPOSED NEW REGULATION 22.145**

PURPOSE: To allow books to accept event wagering on events other than a horse race, greyhound race, or an athletic sports event; to specify requirements for book wagering communications with other books; to change out of state patron wagering requirements in line with current technology capabilities; to allow books to open wagering accounts at locations outside of their premises; to allow books to accept in race wagering; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**REGULATION 22
RACE BOOKS AND SPORTS POOLS**

(Draft Date December 10, 2010)

Proposed Changes: New; ~~Deleted~~

- 22.010 Definitions.
- 22.020 License required; applications.
- 22.030 Book key employees. [Repealed: 1/1/99.]
- 22.032 Finding of suitability required to operate a call center; applications.
- 22.035 Registration of employees.
- 22.037 Employees of an operator of a call center.
- 22.040 Reserve requirements.
- 22.050 Issuance and control of betting tickets.
- 22.060 Acceptance of wagers.
- 22.061 Wagers in excess of \$10,000.
- 22.062 Multiple wagers.
- 22.063 Structured wagers.
- 22.064 Required submissions to the board. [Repealed: 6/30/07.]
- 22.065 Imposition of supplemental recordkeeping and reporting requirements.
- 22.070 Grading of betting tickets. [Repealed: 1/1/99.]
- 22.080 Payment of winning wagers.
- 22.090 Parlay card wagers.
- 22.100 Computerized bookmaking systems.
- 22.110 Layoff bets.
- 22.115 Prohibition against rescission of wagers.
- 22.120 Prohibited wagers; exception for an event other than a horse race, greyhound race, or an athletic sports event.
- 22.121 Reports of suspicious wagers.
- 22.125 Wagers; terms and conditions.
- 22.130 Communications technology.
- 22.135 Use of communications devices prohibited. [Repealed: 8/21/08.]
- 22.140 Wagering communications; establishing patron wagering accounts

for sports, ~~and~~ nonpari-mutuel race, and other event wagering.

- 22.145 Account wagering systems
 - 22.147 Account wagering rules.
 - 22.150 House rules.
 - 22.160 Wagering account transactions.
 - 22.165 Use of an operator of a call center.
 - 22.170 Credit accounts. [Repealed 9/27/05.]
 - 22.180 Gross revenue computations and layoff bets.
 - 22.190 Assigned agent.
 - 22.200 Records and forms.
 - 22.210 Sunset provision. [Repealed: 8/23/01.]
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- 22.010 No Change.
- 22.020 No Change.
- 22.030 No Change.
- 22.035 No Change.
- 22.040 No Change.
- 22.050 No Change.
- 22.060 No Change.
- 22.061 No Change.
- 22.062 No Change.
- 22.063 No Change.
- 22.064 No Change.
- 22.065 No Change.
- 22.070 No Change.
- 22.080 No Change.
- 22.090 No Change.
- 22.100 No Change.
- 22.110 No Change.
- 22.115 No Change.

22.120 Prohibited wagers; exception for an event other than a horse race, greyhound race, or an athletic sports event.

1. No wagers may be accepted or paid by any book on:
 - (a) Any amateur non collegiate sport or athletic event;
 - (b) Any collegiate sport or athletic event which the licensee knows or reasonably should know, is being placed by, or on behalf of a coach or participant in that collegiate event. Each licensee shall take reasonable steps to prevent the circumvention of this regulation;
 - (c) The outcome of any election for any public office both within and without the State of Nevada;
 - (d) Any event, regardless of where it is held, involving a professional team whose home field, a court, or base is in Nevada, or any event played in Nevada involving a professional team, if, not later than 30 days before an event or the beginning of a series of events, the team's governing body files with the

commission a written request that wagers on the event or series of events be prohibited, and the commission approves the request; and

(e) Any event other than a horse race, greyhound race, or an athletic sports event, unless ~~[the chairman permits otherwise in writing]~~ such event is:

(1) Administratively approved by the chairman in writing in accordance with subsection 3;

(2) After referral from the chairman, approved by the commission in accordance with subsection 5; or

(3) Approved by the board after review pursuant to Regulation 4.190 or, if applicable, approved by the commission after review pursuant to Regulation 4.195.

2. A request for approval to accept wagers on an event other than a horse race, greyhound race, or an athletic sports event shall be made by a book on such forms approved by the chairman, and shall include:

(a) A full description of the event and the manner in which wagers would be placed and winning wagers would be determined.

(b) A full description of any technology which would be utilized to offer the event.

(c) Such other information or documentation which demonstrates that:

(1) The event could be effectively supervised;

(2) The outcome of the event would be verifiable;

(3) The outcome of the event would be generated by a reliable and independent process;

(4) The outcome of the event would not be affected by any wager placed;

(5) The event could be conducted in compliance with any applicable laws; and

(6) The granting of the request for approval would be consistent with the public policy of the state.

(d) Such additional or supplemental information as the chairman may require.

↳The decision whether to grant approval to accept wagers on an event other than a horse race, greyhound race, or an athletic sports event shall be based on all relevant information including, but not limited to, the factors in subsection 2(c) of this section. The chairman may subject any technology that would be utilized to offer the event to such testing, investigation and approval process as he deems appropriate.

3. The chairman may refer a request for approval to the full board and commission for consideration, or grant, deny, limit, restrict or condition a request made pursuant to subsection 2 for any cause he deems reasonable. A book aggrieved by an administrative decision of the chairman may submit the matter for review by the board and commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.

4. The chairman is hereby granted the authority to issue an interlocutory order, revoking or suspending any administrative approval granted pursuant to subsection 3 for any cause deemed reasonable. An interlocutory order shall be deemed delivered and effective when personally served upon the book, or if personal service is impossible or impractical, when deposited, postage prepaid, in the United States mail, to the book at its address as shown in the records of

the commission. If an interlocutory order revoking or suspending the administrative approval is issued, the effected book may request that the order be reviewed by the board and commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.

5. Whenever the chairman refers a request for approval to the board and commission for consideration, the request shall be deemed an application and the book which submitted the request shall submit the application fee set forth in subsection 3 of NGC Regulation 4.070. Such application shall be included on the agenda of the next regularly scheduled meeting of the board occurring more than 10 working days after receipt of the application fee and, thereafter, on the agenda of the next regularly scheduled meeting of the commission. The commission, after considering the recommendation of the board, may grant, deny, limit, restrict or condition the application for any cause it deems reasonable and the decision of the commission shall be final and shall not be subject to any further administrative or judicial review.

6. Upon approval of the acceptance of wagers on an event other than a horse race, greyhound race, or an athletic sports event pursuant to the provisions of subsection 1(e), the board shall provide public notice of such approval including any conditions and limitations placed on such approval. Such notice shall occur by publication on the board's website as close as practicable to the time at which the commission, chairman, or board approves the other event. Thereafter, any book may accept wagers on such other event pursuant to the approval and any conditions and limitations placed thereon.

7. For purposes of subsection 1, "professional team" means two or more persons who join together to participate in athletic sports events and who receive any compensation in excess of actual expenses for their participation in such events.

8 ~~[3]~~. For purposes of this regulation, "collegiate sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level.

22.121 No Change.

22.125 No Change.

22.130 No Change.

22.135 No Change.

22.140 Wagering communications; establishing patron wagering accounts for sports, ~~[and]~~ nonpari-mutuel race, and other event wagering.

1. A book may only accept a sports wager, ~~[or]~~ nonpari-mutuel race wager, or other event wager made in person unless the transmission of a wager is initiated from within the State of Nevada. Each book must conspicuously display signs to that effect on its premises.

2. An operator of a call center shall not accept wagering instructions for sports wagers, ~~[or]~~ nonpari-mutuel race wagers, or other event wagers unless the

transmission of the wagering instructions is initiated from within the State of Nevada.

3. No Change.

4. No Change.

5. No Change.

6. Each book shall issue each patron or authorized employee of a book a secure personal identification reasonably designed to prevent the acceptance of wagers from persons other than the patrons or authorized employees of books for whom wagering accounts are established. More than one patron or authorized employee of a book may be assigned to a single wagering account; however, each patron or authorized employee of a book assigned to an account must comply with the provisions of subsections 7, ~~and~~ 8, and 9.

7. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, ~~or~~ on any nonpari-mutuel race wager, or on any other event wager:

(a) The patron must personally appear before employees of the book to open a wagering account. If the patron does not appear personally at the premises of the book or, for central site books, at an outstation, satellite or affiliated book, to open a wagering account, a book must file a request with the chairman for permission to have its employees open wagering accounts outside the premises of the book. The request must include a comprehensive marketing plan setting out, at a minimum, the types of locations and types of potential patrons to which a book intends to send its employees for the purposes of opening wagering accounts. A book may not act under its marketing plan prior to the chairman approving the request. The chairman may impose limitations and conditions on any approved request. The chairman may rescind his approval of a request of a book to have its employees open wagering accounts outside the premises of the book upon written notice to the book. Wagering accounts may not be opened outside of the State of Nevada;

(b) An employee of the book must examine, in the patron's presence, the patron's:

(1) Driver's license;

(2) Passport;

(3) Non-resident alien identification card;

(4) Other reliable government issue identification credential; or

(5) Other picture identification credential normally acceptable as a means of identification when cashing checks;

(c) The employee must record:

(1) The patron's name, permanent home address (other than a post office box number), and home telephone number;

(2) The patron's mailing address and, if the mailing address is not a post office box number and is a residence or place of business of the patron, the telephone number of the resident or place of business;

(3) The patron's date of birth, gender, a description and number of the identity credential examined, and social security number, for United States residents only;

(4) The method used to verify the patron's identity and residence, and a description, including the document number, of the identity credential examined;

(5) The patron's approved credit limit or the amount of the patron's initial wagering account or front money deposit;

(6) The patron's account number with the book; and

(7) The date the patron's account with the book is opened;

(d) The patron must sign, in the presence of a supervising employee of the book, statements attesting that the patron:

(1) Confirms the accuracy of the information recorded;

(2) Has received a copy of the book's rules and procedures for wagering communications;

(3) Has been informed and understands that patrons that establish a wagering account pursuant to this subsection 7 are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;

(4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C;

(5) ~~Has read, understands, and is bound by the provisions of subsection 8; and~~

~~(6)~~ Consents to the monitoring and recording by the board of any wagering communications; and

(e) The employee who verifies the patron's identity and residence and who obtains and records the information on behalf of the book and the supervising employee described in subparagraph (d), must each sign statements that they witnessed the patron's signature and confirmed the patron's identity and residence.

8. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, nonpari-mutuel race wager, or other event wager from another book:

(a) The authorized employee of the other book must personally appear at the premises of the book or, for central site books, at an outstation, satellite or affiliated book, to open a wagering account;

(b) The book employee must record:

(1) The authorized employee of the other book's name, permanent business address (other than a post office box number), and business telephone number;

(2) The documents used to verify the other book is a book, the authorized employee is an employee of the other book and is authorized to open this wagering account;

(3) The amount of the authorized employee of the other book's initial wagering account or front money deposit;

(4) The authorized employee of the other book's account number with the book; and

(5) The date the authorized employee of the other book's account with the book is opened;

(c) The authorized employee of the other book must sign, in the presence of a supervising employee of the book, statements attesting that the authorized employee of the other book:

(1) Confirms the accuracy of the information recorded;

(2) Has received a copy of the book's rules and procedures for wagering communications;

(3) Has been informed and understands that authorized employees of other books that establish a wagering account pursuant to this subsection are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;

(4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C; and

(5) Consents to the monitoring and recording by the board of any wagering communications; and

(d) The employee who verifies the authorized employee of the other book's information and who obtains and records the information on behalf of the book and the supervising employee described in subparagraph (c), must each sign statements that they witnessed the authorized employee's signature and confirmed the authorized employee of the other book's identity and residence.

9. [If a patron is not a resident of Nevada, t]The book shall accept wagers on the patron's wagering account only during the [96-hours] year after the account is opened, unless:

(a) The patron places an account wager[~~s in person at the licensed Nevada gaming establishment in which the wagering account was established;~~

(b) The patron places account wagers in person at another licensed Nevada gaming establishment through the use of communications technology specifically approved for such use] at least once every year; or

[(c)](b) The patron renews the account. Patrons may renew accounts for one and only one additional [96-hour-period] year by appearing personally [at the premises] before employees of the book as set out in subsection 7(a) of this section prior to the expiration of the initial [96-hour-period] year and signing a renewal form. Two employees of the book, at least one of whom must be a supervising employee, shall witness the patron's signature on the renewal form and each shall attest thereto by signing the renewal form. When the renewal period expires, the book shall accept no further wagering communications from the patron until the patron again complies with the provisions of subparagraphs (a), (b), and (e) of subsection 7. Additionally, a book shall not accept a wager on such an account if the patron is not physically located within Nevada's borders.

10[9]. For each wagering account established for the purpose of accepting wagering communications, the book shall record the secure personal identification assigned to the patron and the date/time and amount of each:

(a) Deposit;

(b) Withdrawal;

(c) Wager placed and accepted including the wagering transaction number;

(d) Payout on winning wager;

- (e) Charge for horse racing-related services or merchandise;
- (f) Service or other transaction-related charge authorized by the patron; and
- (g) Adjustment to the account.

11[10]. In addition to the posting of the wager in the computerized bookmaking system, all wagering communications shall be electronically recorded and retained for a period of 60 days. The method of recording the wager must be approved by the chairman. Such recordings must be made immediately available to any board agent upon request.

12[11]. All wagering account applications or amendments thereto for active accounts must be retained by the book. All wagering account applications or amendments thereto for rejected applications shall be retained by the book for no less than one year following the rejection of the related application. All wagering account applications or amendments thereto for closed accounts shall be retained by the book for no less than one year following the closure of the related wagering account.

22.145 Account wagering systems. Account wagering systems shall:

1. No Change;
2. No Change;
3. Prohibit the acceptance of wagers after post time except those originated after post time that are approved in the same manner as other events approved pursuant to Regulation 22.120;
4. No Change;
5. No Change;
6. No Change;
7. No Change;
8. No Change; and
9. No Change.

22.147 No Change.

22.150 No Change.

22.160 No Change.

22.170 No Change.

22.180 No Change.

22.190 No Change.

22.200 No Change.

22.210 No Change.