PROPOSED AMENDMENTS TO REGULATIONS 22.010, 22.032, 22.040, 22.080, 22.090, 22.120, 22.130, 22.140, 22.145, and 22.220 AND PROPOSED NEW REGULATIONS 22.1201 and 22.1205

PURPOSE: To add definitions for "amateur sport or athletic event." "governing body." "other event," "professional sport or athletic event," and "virtual event;" to modify definitions for "call center system," "communications technology," "operator of a call center," and "sports pool;" to move the definition of "collegiate sport or athletic event;" to modify the approval requirements of call centers; to modify reserve requirements; to adjust the period in which a book must honor winning betting tickets; to adjust parlay card wager requirements; to allow unilateral rescission of wagers under certain circumstances; to move and modify requirements regarding other events; to create a list of sanctioning organizations which may sanction other events for the purposes of books accepting wagers on such other events; to set out how organizations are added and removed from the list of sanctioning organizations; to create a list of pre-approved other events: to set out how other events are added and removed from the list of preapproved other events; to set out an appeal process for removal from the list of preapproved other events; to set out a list of permitted wagers; to modify the list of prohibited wagers; to set out a process by which wagers on athletic sporting events become prohibited if the Chair makes certain findings regarding the governing body of such events; to delete the definition of "professional team;" to adjust the communications technology approval, notice, and consent requirements; to authorize out-of-state sports, nonpari-mutuel, and other event wagers if such wagers are legal under the other state's law and federal law; to modify marketing plan approvals; to update cross-references; to delete the requirement that pari-mutuel horse race wagers require a wagering account separate from other types of wagering accounts; to correct which executed agreements concerning global risk management must be provided to the Chair; 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 January 24, 2019)

New

Deleted

22.010 Definitions. As used in this regulation:

- 1. No Change.
- 2. "Amateur sport or athletic event" means a sport or athletic event in which all of the participants are not permitted to receive any monetary compensation for their participation in such event and are only permitted to receive non-monetary compensation for their participation in such event in the form of trophies or medals;

Draft Date: January 24, 2019 ADOPTED Page **1** of **14**

- waived entry fees for future sport or athletic events; and scholarships for the tuition, room, board, books, fees, and stipends necessary to attend an academic institution.
- <u>3.</u> "Book" means a race book or sports pool licensed and approved pursuant to chapter 463 of NRS and this regulation.
- 4.[3.] "Call center system" means a computerized system, or a component of such a system, that is used to receive and transmit wagering instructions from a patron to a licensed book. A call center system specifically includes, but is not limited to, sports wagering applications. The call center system [is] shall be located within Nevada [but off the premises of a licensed gaming establishment or any affiliated licensed gaming establishment].
- <u>5.[4.]</u> "Cash" means coin and currency that circulates, and is customarily used and accepted as money, in the issuing nation.
- <u>6.[5.]</u> "Central site book" means a book which, for the purpose of wagering communications, may allow other licensed books to establish wagering or credit accounts, accept deposits on accounts and return funds or close out accounts for the central site. Such other licensed books:
- (a) Must be outstation or satellite books of the central site, as defined in this regulation, or must be affiliates of the central site, as defined in NRS 463.430(3)(b); and
- (b) Must have on-line, real-time access to the appropriate functions of the central site's computerized bookmaking system.
- 7.[6.] "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
- 8. "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.
- 9.[7.] "Communications technology" means <u>"communications technology" as that term is defined in NRS 463.016425(2)</u> [the methods used and the components employed to facilitate the transmission of information including, but not limited to, transmission and reception systems based on wire, cable, radio, microwave, light, optics, or computer data networks. The term does not include the Internet].
- 10. "Governing body" means a body of managers which sanctions and regulates an athletic sporting event and/or an athletic sports league or association.
- <u>11.[8.]</u> "Group I licensee" means a Group I licensee as that term is defined in Regulation 6.010.
- 12.[9.] "Group II licensee" means a Group II licensee as that term is defined in Regulation 6.010.
- <u>13.[10.]</u> "Internet" means the international computer network of both Federal and non-Federal interoperable packet switched data networks.
- <u>14.[11.]</u> "Key employee" means an employee in any of the classes described in subsection 1 of Regulation 3.100, other than an employee meeting only the description in paragraph (e) of that subsection.
- <u>15.[12.]</u> "Messenger bettor" means a person who places a race book or sports pool wager for the benefit of another for compensation.
- <u>16.[13.]</u> "Nonpari-mutuel wager" means a race book or sports pool wager other than one offered to be included in a common pari-mutuel pool.

- 17.[14.] "Operator of a call center" means a person who, as an agent of a licensed Nevada book, engages in the business of operating a call center system as a means of providing patron services to assist a patron located in this state to convey wagering instructions to one or more licensed Nevada books. An operator of a call center does not accept wagers. A licensed Nevada book operating a call center <u>system</u> on the premises of their gaming establishment or any affiliated licensed gaming establishment, with participation limited to affiliated licensed gaming establishments, is not an operator of a call center.
 - 18. "Other event" means an event other than
 - (a) A horse race,
 - (b) A greyhound race, or
 - (c) An athletic sports event sanctioned by a governing body.
- <u>19.[15.]</u> "Outstation book" means a book, other than a satellite book, that shares the computerized bookmaking system and certain management or administrative functions of a book operated by an affiliated licensee, as defined in NRS 463.430(3)(b).
 - 20.[16.] "Payout" means the total payment due on a winning wager whether or not:
 - (a) The patron collects the total payment due at one time;
- (b) All or a portion of the payment due is made in the form of cash, chips, or other form of payment; or
 - (c) All or a portion of the payment due is used by the patron to place another wager.
- <u>21.[17.]</u> "Post time" means, unless an earlier time is required by regulation in the state where the race is run:
- (a) For users of live broadcasts and for buyers of audible announcements of post time from disseminators of live broadcasts, the later of either the time when the disseminator transmits an audible announcement of the post time, or when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the Chair.
- (b) For races broadcast live on a national television network for which an agreement has been reached with a disseminator to provide an audible announcement of post time, that time when the disseminator relying upon information obtained independently of the television broadcast, transmits an audible announcement of post time which must be no later than when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the Chair.
- (c) For licensed race books that, pursuant to an agreement with a licensed systems operator, use a computerized bookmaking system that allows the systems operator to close wagering via electronic remote access, that time when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the Chair, as determined by the systems operator through information the systems operator independently receives from a disseminator.
- (d) Except as provided in paragraphs (a), (b) and (c) of this subsection 16, not later than 2 minutes before the scheduled post time as announced by the disseminator.
- 22. "Professional sport or athletic event" means a sport or athletic event which is not an amateur sport or athletic event.

Draft Date: January 24, 2019 ADOPTED Page **3** of **14**

- <u>23.[18.]</u> "Race book" means a business that accepts wagers on horse or other animal races.
- <u>24.[19.]</u> "Satellite book" means a book that has been licensed pursuant to the provisions of NRS 463.245(3).
- <u>25.[20.]</u> "Secure personal identification" means a secure personal identification as that term is defined in Regulation 5.225.
- <u>26.[21.]</u> "Sports pool" means a business that accepts wagers on sporting events or other events, other than horse or other animal races. The term includes, but is not limited to, a business that accepts sports parlay card wagers as defined in Regulation 22.090. [The term "other events" includes, but is not limited to, virtual events which are not prohibited by Regulation 22.120.]
- 27. "Virtual event" means an other event where the outcome is generated by an electronic device.
- <u>28.[22.]</u> Wagering account" means a wagering account as that term is defined in Regulation 5.225.
- <u>29.[23.]</u> "Wagering communication" means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.
- <u>30.[24.]</u> "Wagering instructions" means the instructions given to an operator of a call center by a patron who maintains a wagering account at a book to effect a wagering communication to the book.

22.032 Finding of suitability required to operate a call center; applications.

- 1. A person shall not function as the operator of a call center unless the person has been found suitable pursuant to chapters 463 and 464 of the Nevada Revised Statutes to operate a call center under this regulation or Regulation 26C.
- 2. Applications for a finding of suitability to function as the operator of a call center must 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. Such operator of a call center shall be subject to an investigation and review by the Board as deemed necessary by the Chair based on the regulatory risk and the intended activities of the operator of a call center.
- 3. Before receiving a finding of suitability, an operator of a call center must meet the qualifications for licensing pursuant to NRS 463.170.
- 4. Nothing in this Regulation shall be construed to limit or prevent the Board from conducting such supplementary or expanded investigations of any applicant for finding of suitability as an operator of a call center as determined necessary by the Chair. The Board may require an applicant for finding of suitability as an operator of a call center to pay any supplementary investigative fees and costs in accordance with Regulation 4.070.
- <u>5. An applicant for finding of suitability as an operator of a call center shall have the</u> burden of showing that its operations are secure and reliable.
- <u>6. An applicant for finding of suitability as an operator of a call center shall be subject</u> to the application and investigative fees established pursuant to Regulation 4.070.
- 7. The Commission may require an operator of a call center to file an application for a license.

22.040 Reserve requirements.

- 1. Notwithstanding the minimum reserve requirements established for wagering accounts pursuant to subsection 20(b) of Regulation 5.225, each book shall comply with the following to calculate the minimum reserve requirements, *unless the Chair for good cause permits a different amount*:
- (a) Each book shall at all times maintain a reserve of not less than the greater of \$25,000 or the sum of the following amounts:
 - (1) Amounts held by the book for the account of patrons;
- (2) Amounts accepted by the book as wagers on contingencies whose outcomes have not been determined; and
- (3) Amounts owed but unpaid by the book on winning wagers through the period established by the book for honoring winning wagers.
- (b) Before beginning operations, each newly-licensed book must establish a reserve of at least the greater of \$25,000 or the amount the Chair projects will at least equal the sum of the amounts specified in subparagraphs (1), (2), and (3) of subsection 1(a) at the end of the first week of the book's operation. After the book begins operations, the book's reserve must comply with subsection 1(a).
 - 2. No Change.
- 3. The provisions of Regulation 5.225(20)(a), and (c) (l) shall apply to a book regardless of whether a book offers wagering accounts, except that the agreement described in Regulation 5.225(20)(c) must, in addition to any other requirements, provide that the reserve is established and held in trust for the benefit and protection of patrons to the extent the book has accepted wagers from them on contingencies whose outcomes have not been determined, or owes them on winning wagers.

22.080 Payment of winning wagers.

- 1. No Change.
- 2. No Change.
- 3. Books shall honor winning betting tickets for [30 days] 1 year after the conclusion of the event wagered upon unless a longer period is established by the book. The book shall state the redemption period on each betting ticket, in house rules and on notices conspicuously placed about the licensed premises. Payment by mail may be made only after presentment of the betting ticket and all identification information and documentation required by state or federal law, and must be made not later than 10 days after presentment. A book may accept a photocopy of a driver license or passport in lieu of an actual driver license or passport when presentment of the betting ticket is made by mail. Books shall maintain the information and documentation presented for a period of 5 years.
 - 4. No Change.

22.090 Parlay card wagers.

- 1. As used in this section, "parlay card wager" means a wager on the outcome of a series of [3]2 or more games, matches, or similar sports events or on a series of [3]2 or more contingencies incident to particular games, matches or similar sports events.
- 2. Each sports pool that offers to accept parlay card wagers shall fully, accurately, and unambiguously disclose on all parlay card wagering forms:

Draft Date: January 24, 2019 ADOPTED Page **5** of **14**

- (a) The amounts to be paid to winners or the method by which such amounts are to be determined and, if the sports pool limits payouts to an aggregate amount under subsection 3, the aggregate amount and the establishments to which it applies.
 - (b) The effect of ties.
 - (c) The minimum and maximum betting limits, if any.
- (d) The procedure for claiming winnings, including but not limited to the documentation players must present to claim winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by mail.
- (e) The effects of an event wagered on not being played on the date specified and of other events that will cause selections to be invalid.
- (f) [The requirement that a parlay card wager must consist of at least three selections that have not become invalid under applicable house rules or the wager will be void and the money wagered will be refunded.
- (g)] The rights, if any, reserved by the sports pool, including but not limited to reservation of the right to refuse any wager or delete or limit any selection prior to the acceptance of a wager, or to withhold payouts of specified amounts until the outcome of each proposition offered by the parlay card has been determined.
- ([h]g) The requirement that the point spreads printed on the parlay card wagering form when the wager is accepted will be used to determine the outcomes of the wagers.
- ([i]/n) That the sports pool's house rules apply to parlay cards unless otherwise stated on the parlay card wagering form.
 - 3. No Change.
 - 4. No Change.
- 22.120 <u>Permitted</u> [Prohibited] wagers[; exception for an event other than a horse race, greyhound race, or an athletic sports event]. <u>Wagers may be accepted or paid by any book on sporting events or other events except as limited, conditioned, or prohibited by these Regulations specifically including but not limited to:</u>
 - 1. Professional sport or athletic events sanctioned by a governing body;
 - 2. Events held at a track which uses the pari-mutuel system of wagering;
- 3. Olympic sporting or athletic events sanctioned by the International Olympic Committee, subject to limitation by the Chair or the Chair's designee in the Chair's sole and absolute discretion;
 - 4. Collegiate sporting or athletic events;
 - 5. Other events: and
 - 6. Virtual events.
 - [No wagers may be accepted or paid by any book on:
 - (a) Any amateur sport or athletic event other than;
- (1) Olympic sporting or athletic events sanctioned by the International Olympic Committee, subject to limitation by the Chair or the Chair's designee in the Chair's sole and absolute discretion, and
 - (2) Collegiate sporting or athletic events;
- (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;
 - (e) Any virtual event unless:
- (1) An approved gaming device is used to determine the outcome(s) and to display an accurate representation of the outcome(s) of the virtual event;
 - (2) A live display of the virtual event is offered to all approved sports pools; and
- (3) The virtual event is approved pursuant to the procedures set forth in subsection 1(f): and
- (f) Any event other than a horse race, greyhound race, or an athletic sports event, unless such event is:
- (1) Administratively approved by the Chair in writing in accordance with subsection 3:
- (2) After referral from the Chair, 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 Chair, 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 be unlikely to 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 Chair 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 Chair may subject any technology that would be utilized to offer the event to such testing, investigation and approval process as the Chair deems appropriate.

- 3. The Chair 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 the Chair deems reasonable. A book aggrieved by an administrative decision of the Chair may submit the matter for review by the Board and Commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.
- 4. The Chair 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 Chair 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(f), 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, Chair, 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. 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.]

22.1201 Other Events.

- 1. A book shall not accept wagers on an other event unless the Chair has approved the other event in writing, the other event has been sanctioned by an organization included on the list of sanctioning organizations maintained by the Board, or the other event is listed on the list of pre-approved other events.
- 2. A request for approval to accept wagers on an other event shall be made by a book at least 30 days prior to such event on such forms approved by the Chair, and shall include:

Draft Date: January 24, 2019 ADOPTED Page 8 of 14

- (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 is necessary to determine the outcome of the event.
 - (c) Such other information or documentation which demonstrates that:
 - (1) The event could be effectively supervised;
 - (2) There are integrity safeguards in place;
 - (3) The outcome of the event would be verifiable:
- (4) The outcome of the event would be generated by a reliable and independent process;
 - (5) The outcome of the event would be unlikely to be affected by any wager placed;
 - (6) The event could be conducted in compliance with any applicable laws; and
- (7) The granting of the request for approval would be consistent with the public policy of the state.
 - (d) The complete event rules and voting procedures.
 - (e) Such additional or supplemental information as the Chair may require.
- → The decision whether to grant approval to accept wagers on an other event shall be based on all relevant information including, but not limited to, the factors in subsection 2(c) of this section.
- 3. The Chair 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 the Chair deems reasonable. A book aggrieved by an administrative decision of the Chair may submit the matter for review by the Board and Commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.
- 4. The Chair 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 upon service pursuant to Regulation 2.070. If an interlocutory order revoking or suspending the administrative approval is issued, an affected 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 Chair 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 other event pursuant to this section, 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, Chair, 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. A virtual event shall not be approved pursuant to this section unless:
- (a) An approved gaming device is used to determine the outcome(s) and to display an accurate representation of the outcome(s) of the virtual event and
 - (b) A live display of the virtual event is offered to all approved sports pools.
- 8. The Board shall create, maintain, and make publicly available a list of sanctioning organizations.
- (a) The Chair may, in the Chair's sole and absolute discretion, add a sanctioning organization to the list of sanctioning organizations, or a sanctioning organization may request the Chair add the sanctioning organization to the list. A sanctioning organization shall provide all information requested by the Chair during the Chair's consideration of whether to add the sanctioning organization to the list of sanctioning organizations.
- (b) The Chair, in the Chair's sole and absolute discretion, may remove a sanctioning organization from the list of sanctioning organization at any time. Removal of a sanctioning organization from the list of sanctioning organizations is effective upon notice of the removal posted on the Board's website.
- (c) The list of sanctioning organizations is a list created for the benefit of the Board in order to create an easy process for approval of wagers on other events. The existence of a sanctioning organization on the list is at the complete discretion of the Chair. If a sanctioning organization is not on the list or is removed from the list, the approval process for wagers on other events is as set out in this section. A sanctioning organization has no right to be on the list or to remain on the list.
- 9. The Board shall create, maintain, and make publicly available a list of preapproved other events.
- (a) The Chair may, for any previously approved other event and in the Chair's sole and absolute discretion, add an other event to the list of pre-approved other events.
- (b) All additions to the list of pre-approved other events are effective for 1 year from the date of addition unless a different time period is specified at the time of addition to the list.
- (c) The Chair is hereby granted the authority to issue an interlocutory order removing an other event from the list of pre-approved other events. An interlocutory order shall be deemed delivered and effective upon service pursuant to Regulation 2.070. If an interlocutory order removing the other event from the list of pre-approved other events is issued, an affected book may request that the order be reviewed by the Board and Commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.
 - 22.1205 Prohibited wagers. No wagers may be accepted or paid by any book on:
- 1. Any amateur sport or athletic event other than Olympic sporting or athletic events and collegiate sporting or athletic events as set out in this Regulation;
- 2. Any sporting event or other event which the licensee knows or reasonably should know is being placed by, or on behalf of, an official, owner, coach, or staff of a participant or team or participant in that event. Each licensee shall take reasonable steps to prevent the circumvention of this regulation;

Draft Date: January 24, 2019 ADOPTED Page **10** of **14**

- 3. The outcome of any election for any public office both within and without the State of Nevada; and
- 4. Any athletic sports event sanctioned by a governing body where the Chair has made a finding that the governing body is not effectively supervising such event or is not ensuring the integrity of such event.
- (a) A licensee affected by such finding may appeal the finding pursuant to Regulation 4.185 through 4.195. The Chair's finding shall not be reversed absent the licensee demonstrating the governing body is effectively supervising the events it sanctions and is able to ensure the integrity of the events it sanctions.
- (b) At any point after making such a finding, the Chair may rescind the finding upon receiving information satisfactory to the Chair that such governing body is effectively supervising the events it sanctions and is able to ensure the integrity of the events it sanctions.
- (c) The Board shall send notice to all books pursuant to Regulation 2.070 of such finding or rescission.

22.130 Communications technology.

- 1. No Change.
- 2. Before a book accepts any wagering communications, and before a call center accepts any wagering instructions, the book and the call center must obtain the written approval of the Chair to accept such wagering communications and wagering instructions, and thereafter use only the communications technology approved for that purpose. A book or call center shall notify the Chair in writing if it ceases to use communications technology approved for the purpose of accepting wagering communications or wagering instructions within 10 days of cessation. The book or the call center must notify [obtain written permission from] the Chair which communications technology approved for the purpose of accepting wagering communications or wagering instructions is currently being used by the book by October 1st of each calendar year [to continue using the communications technology].
 - 3. No Change.
- 4. Upon the request of either the Board or Commission, a book or a call center shall provide a written consent for the Board or Commission to examine and copy the records of any [telephone, telegraph, or other] communications company or utility that pertain to the operation of the book or the call center.
 - 5. No Change.
 - 6. No Change.

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

1. A book may only accept a sports wager, nonpari-mutuel race wager, or other event wager <u>from within Nevada or from other states or foreign jurisdictions in which such wagers are legal provided federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such wagers [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].</u>

Draft Date: January 24, 2019 ADOPTED Page **11** of **14**

- 2. An operator of a call center [shall not accept] <u>may only accept</u> wagering instructions for sports wagers, nonpari-mutuel race wagers, or other events wagers <u>from within Nevada or from other states or foreign jurisdictions in which such wagers are legal provided federal law allows such wagers and the transmission of such wagers or <u>information assisting in the placing of such wagers</u> [unless the transmission of the wagering instructions is initiated from within the State of Nevada].</u>
 - 3. No Change.
 - 4. No Change.
 - 5. No Change.
- 6. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, on any nonpari-mutuel race wager, or on any other event wager, the following must occur:
- (a) A book must register patrons and create wagering accounts in accordance with Regulation 5.225 except as follows:
- (1) For purposes of presenting a government issued picture identification credential to confirm the patron's identity, a patron may either personally appear before an employee of the licensee at which the book is located as provided in subsection 7 of Regulation 5.225 or before an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book.
- (2) A book may fregister and create wagering accounts for patrons, including inspectfing a patron's government issued picture identification credentials to confirm [their] a patron's identity, as required by subsection 7 of Regulation 5.225, by filing a request with the Chair for permission to have its employees *inspect such identification* credentials at locations outside of the book [register and create wagering accounts for patrons outside the premises of the book. The request must include [a comprehensive marketing plan setting out, at a minimum.] the types of locations fand types of potential patrons] to which a book intends to send its employees for the purposes of inspecting identification credentials [registering and creating wagering accounts for patrons]. A book may not inspect identification credentials at locations outside of the book [act under its marketing plan prior to the Chair approving the request. The Chair may impose limitations and conditions on any approved request. The Chair may rescind approval of a request of a book to have its employees *inspect identification credentials* [register and create wagering accounts] outside the premises of the book upon written notice to the book. Wagering accounts may not be created pursuant to such marketing plan outside the State of Nevadal:
- (b) In addition to the requirements of Regulation 5.225, before registering a patron for a wagering account, the book must have the patron affirm that the patron has been informed and acknowledges that:
- (1) Patrons are prohibited by law from placing sports wagers, nonpari-mutuel race wagers, and other event wager wagers from outside Nevada and that the book is prohibited from accepting such wagers; and
- (2) With regard to pari-mutuel horse race wagers, a race book may only accept offtrack pari-mutuel horse race account wagers pursuant to the provisions of regulation 26C.
- <u>→ If federal law allows the transmission of sports wagers, nonpari-mutuel race</u> wagers, and other event wagers or information assisting in the placing of such wagers

Draft Date: January 24, 2019 ADOPTED Page **12** of **14**

from other states or foreign jurisdictions, a book may modify subsection 6(b)(1) to reflect wagers from outside of Nevada are only allowed from other states or foreign jurisdictions in which such wagers are legal.

- (c) Notwithstanding the requirements of subsection 5 of Regulation 5.225, for a business entity patron, the patron must provide an employee of the book with the information required pursuant to NRS 463.800 before the book registers and creates a wagering account for the patron. The employee must record such information. Unless a book has otherwise been granted approval by the Chair pursuant to subsection 6(a)(2) of this section, the information required pursuant to NRS 463.800 shall be provided by the patron to an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book.
 - 7. No Change.
 - 8. No Change.
 - 9. No Change.
 - 10. No Change.

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 22.1201[120];
 - 4. No Change;
- 5. Prohibit a book from accepting out-of-state sports wagers, [and] out-of-state nonpari-mutuel horse race wagers, and out of state other event wagers unless such wagers are legal in the jurisdiction from which they originate and federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such wagers;
 - 6. No Change;
- 7. [Maintain a completely separate wagering account for pari-mutuel horse race wagers. Wagering accounts for pari-mutuel sports wagers, nonpari-mutuel horse race wagers and nonpari-mutuel sports wagers may be commingled in a single wagering account:
- 8.] Maintain complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account; and
- [9]8. For systems that use other than voice-only wagering communications technology, produce a printable record of the entire transaction as required by this section and shall not accept any wagering communication or transaction if the printable record system is inoperable.

22.220 Global Risk Management.

- 1. No Change.
- 2. A book which intends to provide global risk management shall:
- (a) Enter into a written agreement to provide global risk management with any operator of a wagering pool to which the book proposes to provide global risk management. A copy of such executed agreement with an operator of a wagering pool

Draft Date: January 24, 2019 ADOPTED Page **13** of **14**

[located outside of Nevada] in any permissible jurisdiction other than Nevada shall be provided to the Chair no later than the date on which the book commences global risk management for the operator of the wagering pool;

- (b) Provide details to the Chair regarding any permissible jurisdiction other than Nevada where the book intends to provide global risk management no later than the date on which the book commences global risk management in such permissible jurisdiction;
- (c) No later than the date on which a book commences global risk management, submit the book's systems of accounting and internal control utilized for global risk management to the Chair. Such systems must include provisions for complying with all federal laws and regulations; and
- (d) Provide such other information as the Chair may require concerning global risk management.
 - 3. No Change.

Draft Date: January 24, 2019 ADOPTED Page **14** of **14**