

**REGULATION 5  
OPERATION OF GAMING ESTABLISHMENTS**

**ADOPTION OF NEW REGULATION 5.220:  
OPERATION OF A MOBILE GAMING SYSTEM**

**PURPOSE:** To implement the provisions of Assembly Bill 471 as adopted by the 2005 Nevada Legislature; to establish a definition of "mobile gaming system," "operator of a mobile gaming system," "communication technology," "equipment associated with mobile gaming," "licensed gaming establishment," "licensee," "mobile communications device" and "public area;" to establish the terms and conditions for obtaining and holding a license as an operator of a mobile gaming system; take such additional action as may be necessary and proper to effectuate these stated purposes.

(Draft date: 01/11/06)

**5.220 Operation of a mobile gaming system.**

1. Definitions. As used in this section:

(a) "Chairman" means the chairman of the board or the chairman's designee.

(b) "Communications technology" means any method used and the components employed by a licensed gaming establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wireless network, wireless fidelity, wire, cable, radio, microwave, light, optics or computer data networks. The term does not include the Internet.

(c) "Equipment associated with mobile gaming" means associated equipment as defined within NRS 463.0136, that will be approved as associated equipment.

(d) "Licensed gaming establishment" means the establishment of a licensee, which includes all land, together with all buildings and improvements located thereon.

(e) "Licensee" means a person or entity licensed to conduct nonrestricted gaming operations, who at all times exposes to the public for play, 100 or more slot machines and at least one table game, within its licensed gaming establishment. The term does not include a person or entity licensed as a holder of a security or other ownership interest in the licensee, or as an officer, director or key employee of the licensee, or due to any other relationship or involvement with the licensee or gaming operation.

(f) "Mobile communications device" means a device which displays information relating to the game to a participant in the game as part of a system.

(g) "Mobile gaming system" or "system" means a system that allows for the conduct of games through mobile communications devices operated solely within a public area of the 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.

(h) "Operator of a mobile gaming system" or "operator" means a licensee who has been licensed to operate a mobile gaming system, or a person or entity, who, under any agreement whereby consideration is paid or payable for the right to place a mobile gaming system, engages in the business of placing and operating a mobile gaming system within the public area of a licensed gaming establishment and who is authorized to share in the revenue from the mobile gaming system without having been individually licensed to conduct gaming at the establishment.

(i) "Public area" means all areas within the licensed gaming establishment, where a gaming device may lawfully be operated, except the following:

- (1) Rooms available for sleeping;
- (2) Living accommodations that are accessible from rooms available for sleeping;
- (3) Parking lots;
- (4) Parking garage; and
- (5) Such other or additional areas as the Chairman may determine. An operator or licensee aggrieved by a 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.

(j) "Wagering account" means an electronic ledger wherein the following types of transactions relative to a mobile gaming system are recorded:

- (1) Deposits;
- (2) Withdrawals;
- (3) Amounts wagered;
- (4) Amounts paid on winning wagers;
- (5) Service or other transaction-related charges authorized by the patron; and
- (6) Adjustments to the account.

2. A system may only be exposed for play to the public by an operator licensed by the Commission at a licensed gaming establishment.

3. In addition to any other requirements set forth in the NRS or these regulations, the operator and licensee where a system is operated shall comply with the following requirements:

(a) Only a system that has been approved by the Commission may be exposed for play within a licensed gaming establishment.

(b) The licensee shall be responsible for any patron dispute arising at the licensed gaming establishment with respect to any system and games exposed thereby, and shall act in accordance with the provisions set forth in NRS 463.362, et. seq. This fact shall be disclosed to the patron at the time of the dispute. Operators and licensees shall cooperate in the resolution of patron disputes arising at the licensee's establishment, and the licensee may contractually seek indemnity from the operator for any losses.

(c) The licensee shall be responsible for all payouts from each system operated within its licensed gaming establishment.

(d) Systems that expose games with fixed payoff schedules that exceed \$250,000 or in the case of systems that expose games with progressive payoff

schedules that are expected to exceed \$250,000, are limited to Group I, nonrestricted gaming operations.

(e) At the request of the chairman, an operator shall deposit with the Board and thereafter maintain a revolving fund in an amount of \$20,000 unless a lower amount is approved by the Chairman, which shall be used to ensure compliance of the system with applicable laws and regulations. Upon surrendering its operator's license, the Board may refund the balance remaining in the revolving fund.

(f) All revenue received from the system, regardless of whether any portion of the revenue is shared with the operator, must be attributed to the licensee of the licensed gaming establishment and counted as part of the gross revenue of the licensee pursuant to NRS 463.370. The operator, if receiving a share of the revenue from a system, is liable to the licensee for the operator's proportionate share of the license fees paid by the licensee pursuant to NRS 463.370.

(g) Each separate mobile communications device is subject to the same fees and taxes made applicable to slot machines by NRS 463.375, if it is activated on the system and made available for play by a patron at any time during a calendar quarter, and by NRS 463.385, if it is activated on the system and made available for play by a patron at any time during a fiscal year. The Operator shall be liable to the licensee for the operator's proportionate share of the licensee fees paid by the licensee pursuant to NRS 463.375 and 463.385.

(h) Operators shall retain and provide board agents, upon request, all records pertaining to their mobile gaming systems including, without limitation, all revenue and cash records, end-of-day reports, computer room visitors logs, details of any patron disputes, device or game performance reports, weekly reports, and any other financial or non-financial records or reports required to be provided by the Chairman.

4. Failure to comply with any of the requirements set forth in subsection 3 shall be an unsuitable method of operation.

5. Except for subsections 3(f) and 3(g), the chairman may, for good cause shown, waive any of the requirements set forth in subsection 3 of this regulation.

6. Operators shall maintain the records required by this section for at least five years after the records are made unless the Chairman approves otherwise in writing.

7. Before a wager may be made on a system, the patron must personally appear at the licensee's establishment to open a wagering account. An employee of the licensee must examine, in the presence of the patron, and record the patron's:

- (a) Driver's license;
- (b) Passport;
- (c) Non-resident alien identification card;
- (d) Other reliable government issue identification credential; or
- (e) Other picture identification credential normally acceptable as a means of identification when cashing checks.

(Effective: 03/23/06.)

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