

## **ADOPTED AMENDMENTS TO REGULATION 5A**

### **REGULATION 5A** **OPERATION OF INTERACTIVE GAMING**

**PURPOSE:** In accordance with NRS 463.145, NRS 463.750, and A.B. 114 and A.B. 360 passed during the 2013 Legislative Session, to amend Regulation 5A to amend and clarify 5A.120(13) applicable to responsible gambling limit settings for interactive gaming accounts; to amend 5A.140 to provide that operators shall not accept or facilitate wagers from any officer, director, owner or key employee of such an operator or its affiliates; to amend 5A.170(4) to include that gross revenue equals all money received by the operator for conducting any contest or tournament in conjunction with interactive gaming; to delete in its entirety 5A.240 pertaining to the scope and effectiveness of operator of interactive gaming license; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

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#### **5A.120 Interactive Gaming Accounts.**

1. An operator shall record and maintain the following in relation to an interactive gaming account:

- (a) The date and time the interactive gaming account is opened or terminated;
- (b) The date and time the interactive gaming account is logged in to or is logged out of; and
- (c) The physical location, by state or foreign jurisdiction, of the authorized player while logged in to the interactive gaming account.

2. An operator shall ensure the following:

- (a) That an individual registered as an authorized player holds only one interactive gaming account with the operator; and
- (b) That no authorized player shall occupy more than one position at a game at any given time.

3. An operator shall not set up anonymous interactive gaming accounts or accounts in fictitious names. Authorized players may, while engaged in interactive gaming, represent themselves using a name other than their actual name.

4. Funds may be deposited by an authorized player into an interactive gaming account assigned to them as follows:

- (a) Cash deposits made directly with the operator;
- (b) Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the operator;
- (c) Transfers from safekeeping or front money accounts otherwise held by the licensed gaming establishment holding the operator's license;
- (d) Debits from an authorized player's debit card or credit card; or

(e) Transfers through the automated clearing house or from another mechanism designed to facilitate electronic commerce transactions; or

(f) Any other means approved by the chairman.

5. Interactive gaming account credits may be made by the following means:

(a) Deposits;

(b) Amounts won by an authorized player;

(c) Promotional credits, or bonus credits provided by the operator and subject to the terms of use established by the operator and as long as such credits are clearly identified as such; ~~and~~ or

(d) Adjustments made by the operator following the resolution of a dispute.

6. Interactive gaming account debits may be made by the following means:

(a) Amounts wagered by an authorized player;

(b) Purchases of interactive gaming related merchandise and services requested by an authorized player;

(c) Withdrawals;

(d) Transfers to safekeeping or front money accounts held by the licensed gaming establishment holding the operator's license;

(e) Adjustments made by the operator following the resolution of a dispute; ~~and~~ or

(f) Debits as otherwise approved by the chairman.

7. Funds deposited into an interactive gaming account from a financial institution shall not be transferred out of the interactive gaming account to a different financial institution except as otherwise allowed by the commission.

8. Unless there is a pending unresolved player dispute or investigation, an operator shall comply with a request for a withdrawal of funds by an authorized player from their interactive gaming account within a reasonable amount of time.

9. An operator shall not allow an authorized player to transfer funds to any other authorized player.

10. An operator shall not allow an authorized player's interactive gaming account to be overdrawn unless caused by payment processing issues outside the control of the operator.

11. An operator shall neither extend credit to an authorized player nor allow the deposit of funds into an interactive gaming account that are derived from the extension of credit by affiliates or agents of the operator. For purposes of this subsection, credit shall not be deemed to have been extended where, although funds have been deposited into an interactive gaming account, the operator is awaiting actual receipt of such funds in the ordinary course of business.

12. The language of any agreement used as between an operator and its authorized players pertaining to interactive gaming and authorized players' access to their interactive gaming account shall be submitted to the chairman for his review. The operator shall not allow or engage in any interactive gaming until any such agreement is approved by the chairman.

13. An operator shall ensure that an authorized player has the ability, through their interactive gaming account, to select responsible gambling options that include without limitation: ~~a wager limit, loss limit, time-based loss limits, deposit limit, session time limit, and time-based exclusion from gambling~~

(a) Loss limits establishing the net loss that can occur within a specified period of time;

(b) Deposit limits establishing the amount of total deposits an authorized player can make to their interactive gaming account within a specified period of time;

(c) Tournament limits establishing the total dollar amount of tournament entries a patron can purchase within a specified period of time;

(d) Buy in limit establishing the total amount of funds an authorized player can allocate for the play of poker within a specified period of time, exclusive of tournament entries purchased;

(e) Play time limits establishing the total amount of time available for play during a specified period of time; and

(f) Time based exclusion from gambling settings.

14. Nothing in this regulation prohibits an operator from closing an interactive gaming account and precluding further interactive gaming by an authorized person pursuant to the terms of the agreement between the operator and an authorized player.

#### **5A.140 Acceptance of Wagers.**

1. Operators shall not accept or facilitate a wager:

(a) On any game other than the game of poker and its derivatives as approved by the chairman and published on the board's website;

(b) On any game which the operator knows or reasonably should know is not between individuals;

(c) On any game which the operator knows or reasonably should know is made by a person on the self-exclusion list;

(d) From a person who the operator knows or reasonably should know is placing the wager in violation of state or federal law;

(e) Using an inter-operator poker network except as otherwise allowed by the commission;

(f) From any officer, director, owner or key employee of such an operator or its affiliates; or

(fg) Except as provided in subsection 2, from stakes players, proposition players or skills.

2. Operators may use a celebrity player for marketing purposes to attract authorized players if the operator clearly identifies the celebrity player to the authorized players and does not profit beyond the rake. For purposes of this subsection, a "celebrity player" is an authorized player under agreement with the operator whereby the celebrity player is paid a fixed sum by the operator to engage in interactive gaming and whom may or may not use their own funds to engage in interactive gaming.

#### **5A.170 Gross Revenue License Fees, Attribution, Liability and Computations for Interactive Gaming.**

1. Gross revenue received by an establishment from the operation of interactive gaming is subject to the same license fee provisions of NRS 463.370 as the games and

gaming devices of the establishment, unless federal law otherwise provides for a similar fee or tax.

2. For a nonrestricted licensee granted an operator of interactive gaming license pursuant to the provisions of NRS 463.750(4), gross revenue received from the operation of interactive gaming shall be attributed to the nonrestricted licensee and counted as part of the gross revenue of the nonrestricted licensee for the purpose of computing the license fee.

3. For an affiliate of a nonrestricted licensee granted an operator of interactive gaming license pursuant to the provisions of NRS 463.750(5), gross revenue received from the operation of interactive gaming by the affiliate is subject to the same licensee fee provisions of NRS 463.370 as the games and gaming devices of the affiliated nonrestricted licensee and shall be attributed to the affiliated nonrestricted licensee and counted as part of the gross revenue of the affiliated nonrestricted licensee for the purpose of computing the license fee, unless federal law otherwise provides for a similar fee or tax. The operator, if receiving all or a share of the revenue from interactive gaming, is liable to the affiliated nonrestricted licensee for the operator's proportionate share of the license fees paid by the affiliated nonrestricted licensee pursuant to NRS 463.370.

4. For each game in which the operator is not a party to the wager, gross revenue equals all money received by the operator as compensation for conducting the game, or for conducting any contest or tournament in conjunction with interactive gaming.

5. The nonrestricted licensee holding an operator of interactive gaming license or the nonrestricted licensee affiliated with an operator of interactive gaming license is responsible for reporting all gross revenue derived through interactive gaming.

#### **~~5A.240 Scope and Effectiveness of Operator of Interactive Gaming License.~~**

~~—1. A license granted by the commission to be an operator shall not allow such licensee to offer interactive gaming from Nevada to individuals located in jurisdictions outside the state of Nevada unless the commission determines:~~

~~—(a) That a federal law authorizing the specific type of interactive gaming for which the license was granted is enacted; or~~

~~—(b) That the board or commission is notified by the United States Department of Justice that it is permissible under federal law to operate the specific type of interactive gaming for which the license was granted.~~

~~—2. Upon the commission making a determination that 1(a) or (b) of this section has occurred, an operator of interactive gaming licensee that intends to offer interactive gaming from Nevada to individuals located in jurisdictions outside Nevada shall submit a request for administrative approval to the chairman, on such forms as the chairman may require, to begin such interstate interactive gaming. The chairman shall conduct a review of the operator of interactive gaming's operations to ensure that it is able to comply with these regulations and all other applicable state and federal laws. The chairman may approve or deny a request made under this subsection. The affected licensee may request that a denial by the chairman be reviewed by the board and commission pursuant to Regulations 4.185 through 4.195, inclusive.~~