

## PROPOSED AMENDMENTS TO REGULATION 5

**PURPOSE:** In accordance with NRS 463.145, 463.150, to amend Regulation 5.045 to require that any compliance review and reporting system required by the Commission must designate a compliance committee responsible for overseeing the system; the written plan must provide for the involvement on the compliance committee of at least one independent member who possesses extensive knowledge of the Nevada Gaming Control Act and the regulations of the Commission; provide for the meaning of “independent member;” and to take such additional action as may be necessary and proper to effectuate these stated purposes.

### REGULATION 5

#### OPERATION OF GAMING ESTABLISHMENTS

(Draft Date: January 23, 2025)

New  
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##### **5.045 Compliance review and reporting system.**

1. Whenever the Commission is acting upon an application for a license or registration, or pursuant to its powers provided in NRS 463.310, and if the Commission determines that special circumstances exist which require additional management review by a licensee or registrant, the Commission may impose a condition upon a license or order of registration to require implementation of a compliance review and reporting system by the licensee or registrant.

2. The terms of a condition imposed pursuant to subsection 1 may include, without limitation:

(a) That the condition expire on a certain date or after a designated period of time without further action by the Commission;

(b) That the condition may be administratively removed by the Board if a specified activity ceases or a specified event occurs; or

(c) That the Board conduct a periodic review, and upon such review, the Board may recommend and the Commission may remove or continue to require the condition.

3. Notwithstanding the provisions of subsection 2, upon application, a licensee or registrant may request modification or removal of a condition imposed and the Commission may, after considering the recommendation of the Board, modify or remove such condition.

4. A compliance review and reporting system required pursuant to a condition imposed pursuant to subsection 1 must be created for the purpose of monitoring activities relating to the continuing qualifications of the licensee or registrant under the provisions of the Nevada Gaming Control Act and regulations of the Commission in accordance with a written plan that must be approved administratively by the Board or as otherwise ordered by the Commission.

5. A written plan approved or ordered pursuant to subsection 4 must provide for the operation of the compliance review and reporting system and must designate ~~[these]~~ a compliance committee responsible for overseeing such system. The written plan must provide for the involvement on the compliance committee of at least one ~~[person]~~ independent member who possesses extensive knowledge of ~~[knowledgeable of the provisions of]~~ the Nevada Gaming Control Act and the regulations of the Commission. The written plan must require periodic reports to senior management of the licensee or registrant. Such reports are advisory, and the licensee or registrant shall maintain responsibility for compliance with the Nevada Gaming Control Act and regulations of the Commission. The licensee or registrant shall provide copies of the reports to the Board.

6. The written plan must set forth the activities to be monitored and must be determined by the circumstances applicable to the licensee or registrant. The activities required to be monitored pursuant to the compliance review and reporting system may include, without limitation:

(a) Associations with persons denied licensure or other related approvals by the Commission or who may be deemed unsuitable to be associated with a licensee or registrant;

(b) Business practices or procedures that may constitute grounds for denial of a gaming license or registration;

(c) Compliance with other special conditions that may be imposed by the Commission upon the licensee or registrant;

(d) Review of reports submitted pursuant to the Nevada Gaming Control Act and regulations of the Commission;

(e) Compliance with the laws, regulations, or orders of duly constituted governmental agencies or entities having jurisdiction over the gaming affairs, or such other business activities which the Board or the Commission may deem necessary or proper, of the licensee, registrant, or its affiliates, including, without limitation, the adoption and implementation of written policies and procedures prohibiting workplace discrimination or harassment of a person based on the person's race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, or national origin, including, without limitation, sexual harassment, pursuant to section 5.250; and

(f) Review of such other activities determined by the Board or the Commission as being relevant to the continuing qualifications of the licensee or registrant under the provisions of the Nevada Gaming Control Act and the regulations of the Commission.

*For purposes of this section, "independent member" means a member of the compliance committee who is free from any relationships that could interfere with their ability to exercise independent judgment, including without limitation, is not an owner, director, officer, or employee of the licensee, registrant, or their affiliates, and is not otherwise affiliated with the licensee or registrant. The independent member must not receive any compensation other than compensation for duties and responsibilities related to the activities of the compliance committee.*