

PROPOSED AMENDMENTS TO
NEVADA GAMING COMMISSION REGULATION 9.010

[REVISED VERSION 2]

Draft Dated: 05/22/2024

PURPOSE STATEMENT: To amend Nevada Gaming Commission (“Commission” or “NGC”) Regulation 9.010(2) to clarify the requirements and consequences relating to a licensee’s surrender, abandonment, or quitting of their licensed gaming establishment; To amend NGC Regulation 9.010(2) to clarify the requirements and consequences relating to a licensee’s ceasing the operation of gambling games on the premises of their licensed gaming establishment; to Amend NGC Regulation 9.010(4) to clarify this provision to make it clear it includes voluntary closures for remodeling or construction projects; To make various, non-substantive changes to NGC Regulation 9.010 to align certain terminology to match that used in chapter 463 of NRS and reformat cross references to match the form used by the Legislative Counsel Bureau; And to take such additional actions as may be necessary and proper to effectuate this stated purpose.

EFFECTIVE DATES: All changes shall become effective upon adoption by the Commission.

EXPLANATION: Matter in *blue italics* is new language; and matter between ~~red brackets with single strikethrough~~ is material to be omitted.

REGULATION 9

CLOSING OF BUSINESS; DEATH OR DISABILITY; INSOVLENCY

9.010 Surrender of license on closing of business; closing due to natural disasters; closing due to emergency declarations.

1. If a *licensed* gaming establishment is conveyed to a secured party who does not possess the licenses necessary to operate the establishment, and the licensee ceases gaming operations as a result, the licensee must immediately surrender the licensee’s gaming license and, upon written notification from the Board Chair that the surrender is accepted, the license shall be deemed to have lapsed. The Commission may, upon its own initiative or upon a request by the former secured party of the establishment, petition a district court for the appointment of a supervisor pursuant to

chapter 463B of NRS [463B] and [Regulation] section 17 of these regulations to ensure the continuation of the gaming operation upon lapse of the license.

2. Except as provided in subsection 1 and except for temporary closures allowed in subsections 4 and 5~~[, any]~~:

(a) A licensee who surrenders, abandons, or quits ~~[his or her]~~ *their* licensed gaming establishment ~~[, or]~~ *shall*:

(1) *Notify the Board immediately of such action; and*

(2) *Within 10 days after surrendering, abandoning, or quitting the licensed gaming establishment, surrender the gaming establishment's license to the Board.*

(b) A licensee who closes all of ~~[his or her licensed]~~ *the gambling* games ~~[for a period exceeding 30 days,]~~ *located on the premises of their licensed gaming establishment* shall~~[, within 10 days after surrendering, quitting or abandoning his or her licensed establishment or so closing his or her games, surrender his or her]~~:

(1) *Notify the Board immediately of the closure of all of the gambling games; and*

(2) *If the period of closure exceeds 30 days, within 10 days after the expiration of the 30-day period, surrender the gaming establishment's gaming license to the Board, unless the Board Chair or the Chair's designee has authorized the closing the gambling games for a longer period pursuant to paragraph (c).*

(c) The Board Chair or the Chair's designee may, upon *written* request, authorize closing for ~~[longer periods]~~ *a period exceeding the 30-day period provided in subparagraph (2) of paragraph (b)*; however, such extension will not permit closing for an entire calendar quarter.

(d) *A licensee's failure to comply with the requirements of paragraph (a) or (b) shall constitute an unsuitable method of operation and be grounds for disciplinary action.*

3. Subsection 2 shall not apply to any gaming establishment which is an adjunct operation of an existing licensee requiring a separate license and which is utilized for special events of less than 10 days duration for each event, provided that the following conditions are complied with:

(a) All annual license fees are timely paid.

(b) All quarterly fees for the quarter in which gaming operations are to be conducted are paid prior to commencement of gaming operations.

(c) Gaming operations are conducted for at least 3 days during the calendar year.

(d) Written notice of each special event setting forth the hours of operation and number of days gaming will be conducted and the number of games, tables and gaming devices that will be in operation is given to the nearest office of the Board at least 5 days prior to commencement of operation.

4. The Board Chair or the Chair's designee may authorize closure of any licensed gaming establishment that temporarily ceases the operation of all ~~[licensed]~~ *gambling* games because of a natural disaster, fire, *voluntary remodel or construction project*, or other physical destruction of the licensed gaming establishment. In such circumstances, the licensee shall notify the Board of the circumstances requiring closure of the ~~[licensed]~~ *gambling* games pending *the remodeling, construction*, rebuilding, or repair of the premises; the anticipated duration of the closure; and the intent of the licensee to commence operation as soon as *the remodeling, construction*, rebuilding, or repairs have been completed. Upon receipt of such notice, the Board Chair or the Chair's designee, if satisfied that the premises are in fact unusable for continuing gaming, may authorize closure for such time as is necessary upon the following conditions:

(a) For a nonrestricted licensee who operated games, except slot machines only, payment at the normal time for license renewal for each quarter of authorized closure the quarterly state license fee applicable for the operation of one game as required by NRS 463.383, and if appropriate the annual license fee as required by NRS 463.380, as well as any other fee or tax required by ~~[NRS]~~ chapters 463 or 464 *of NRS*.

(b) For a nonrestricted licensee who operated slot machines only, payment at the normal time for license renewal for each quarter of authorized closure the quarterly slot fees and any annual slot fees or taxes which may be due for the operation of one slot machine, as well as any other fee or tax required by ~~[NRS]~~ chapter 463 *of NRS*.

(c) For restricted licensees, payment at the normal time for license renewal of the quarterly state license fee for the operation of one slot machine for each quarter during the authorized closure, as well as payment of the annual slot tax required by NRS 463.385, if appropriate.

5. In the event of a local or state emergency declaration requiring the closure of a licensed gaming establishment, the licensed gaming establishment may temporarily cease the operation of all ~~[licensed]~~ *gambling* games until the emergency declaration no longer requires such closure and the Board Chair or the Chair's designee provides written notice that the temporary closure approval is terminated. During any such temporary closure, the conditions set forth in paragraphs (a) - (c)

of subsection 4 shall apply. A licensed gaming establishment that has temporarily ceased the operation of all ~~licensed~~ *gambling* games because of an emergency declaration shall reopen in accordance with the Board Chair's or the Chair's designee's written notice terminating the temporary closure approval, after which time, the provisions of subsection 2 shall apply.

6. A licensee authorized to temporarily close in accordance with subsections 4 or 5, is a continuing state gaming licensee subject to the provisions of the Nevada Gaming Control Act and regulations adopted thereunder, and shall also be subject to such conditions, by way of placement of a bond, reporting, or otherwise, as may be deemed necessary by the Board. Prior to resumption or partial resumption of gaming operations, licensees shall pay in advance any license fees and taxes due under chapters 463 or 464 of NRS.