

## PROPOSED AMENDMENT TO NGC REGULATION 5.240

**PURPOSE:** To consider regulatory changes proposed by PropSwap, Inc.; to create the new category of service provider “betting ticket resale service provider;” to define betting ticket resale service provider; to provide that betting ticket resale service providers do not engage in messenger betting if they comply with certain requirements; to set out specific contractual requirements for the betting ticket resale service providers including, without limitation, the manner and method of transactions, prohibiting out of state transactions, prohibiting payments based on a percentage of revenue, and requiring the adoption of certain policies and procedures; 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 May 8, 2024)

New  
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#### 5.240 Service Providers.

1. No Change.

2. Definitions.

(a) “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

(b) “Cloud computing services”:

(1) Consist of the following as defined by the National Institute of Standards and Technology in NIST SP 800-145 and as further explained in NIST SP 500-292:

(I) Software as a Service;

(II) Platform as a Service; or

(III) Infrastructure as a Service.

(2) The services described in subparagraph (1) do not include the performance of any service, action, transaction, or operation that would otherwise require a gaming license or registration pursuant to Chapter 463 of NRS or these regulations, other than a registration as a cloud computing service provider.

(c) “Cloud computing service provider”:

(1) Means a person who, on behalf of a licensee, provides cloud computing services by acquiring and maintaining the computing infrastructure and software necessary to provide cloud computing services for associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations, in whole or in part, and otherwise in accordance with paragraph (4) of section 5.225 and section 5.242.

(2) The services described in subparagraph (1) do not include the performance of any service, action, transaction, or operation that would otherwise require a gaming license or other registration pursuant to Chapter 463 of NRS or these regulations.

(d) “Information technology service provider” means a person who, on behalf of a licensee, provides management, support, security, or disaster recovery services for games, gaming devices, or associated equipment.

(e) “Service provider” means a person who:

(1) Is a cash access and wagering instrument service provider as defined in NRS 463.01395;

(2) Is an information technology service provider; ~~{or}~~

(3) Is a cloud computing service provider; or

(4) Is a betting ticket resale service provider.

(f) "Betting ticket resale service provider" means a person who, pursuant to a written agreement with a book and on behalf of the book, facilitates the resale of an active betting ticket by a seller, who may be the person who initially received the patron's copy of the betting ticket representing the wager from the book, to a buyer. Effective regulation of betting ticket resale service providers provides important services in protecting the public with regard to the exposure of books. For the purpose of this definition:

(1) An "active betting ticket" is a betting ticket evidencing a wager on a race, sporting event, or other event whose outcome has not yet been determined;

(2) A betting ticket resale service provider does not engage or facilitate messenger betting when acting within the bounds of this definition;

(3) The written agreement between the betting ticket resale service provider and the book must, at a minimum, include provisions that:

(I) Prescribe the form, method and manner of betting ticket resale transactions;

(II) Prohibit betting ticket resale transactions where the seller and/or buyer is located out-of-state at the time of the transaction unless such transactions are legal in the jurisdictions where the seller and buyer are located and federal law allows such transactions;

(III) Prohibit a betting ticket resale service provider from being paid a percentage of the resale price of betting tickets sold through the facilitation of the betting ticket resale service provider unless the betting ticket resale service provider is licensed to share in gaming revenue with the book; and

(IV) Require the parties adopt and comply with procedures which will:

a. Prevent transactions with persons subject to exclusion and ejection pursuant to NRS 463.154;

b. Prevent transactions that may be associated with money laundering, fraud and other criminal activities;

c. Prevent transactions with persons who could not lawfully place or redeem a wager with the book; and

d. Ensure compliance with all state and federal laws, including without limitation know your customer, age verification, geolocation, unlawful messenger betting and federal gambling law requirements.

(4) The book shall maintain a copy of the agreement for a period of 5 years after the expiration of the agreement and any amendments thereto.

3. No Change.

4. No Change.

5. No Change.

6. No Change.

7. No Change.

8. No Change.

9. No Change.

10. No Change.

11. No Change.
12. No Change.
13. No Change.
14. No Change.
15. No Change.
16. No Change.