

PROPOSED AMENDMENTS TO REGULATION 2

PURPOSE: In accordance with Senate Bill No. 165 of the 81st Session of the Nevada Legislature, create a framework to appoint members to the Esports Technical Advisory Committee; update the provisions of Regulation 2 to more accurately reflect the drafting standards and conventions used in the Nevada Revised Statutes; update the way by which licensees and applicants provide an electronic mail address of record to the Board; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

REGULATION 2

NEVADA GAMING COMMISSION AND NEVADA GAMING CONTROL BOARD: ORGANIZATION AND ADMINISTRATION ~~;~~ ~~GAMING POLICY COMMITTEE~~

(Draft Date: August 31, 2021)

New
~~{Deleted}~~

2.010 ~~{Definitions}~~ *“Meeting” defined.*

~~{1. “Chair” means the Chair of the Nevada Gaming Commission or the Chair’s designee.~~

~~—2. “Board Chair” means the Chair of the Nevada Gaming Control Board or the Board Chair’s designee.~~

~~—3. “Executive secretary” means that person appointed pursuant to NRS 463.085.~~

~~—4. “Meeting” [means] the [gathering of members of the Board or Commission at which a quorum is present, for the purpose of deliberating toward a decision or making a decision. The term includes, but is not limited to, the consideration of license applications, transfers of interest, claims for tax refunds, petitions for redetermination, disciplinary proceedings, and exclusion list proceedings.] *meaning ascribed to it in NRS 241.015.*~~

2.020 Delegation to Chair of Commission.

1. The Commission hereby delegates to the Chair of the Commission the authority to issue preliminary rulings on scheduling, procedural, ~~and~~ evidentiary ~~matters~~, and other matters provided by these regulations, that may ~~be presented to~~ come before the Commission during the course of ~~conducting~~ a meeting of the Commission, or that may arise when the Commission is not meeting.

2. The Commission may, upon a majority vote in a specific case, temporarily abrogate the general delegation granted to the Chair pursuant to subsection 1 ~~of this section~~.

3. ~~Any~~ A specific ruling or decision of the Chair pursuant to subsection 1 ~~of this section~~ is subject to consideration by the entire Commission upon the request of ~~any~~ a commissioner, or upon timely motion ~~of~~ by a person affected by the ruling or decision.

4. ~~The Commission shall be deemed to have ratified an~~ An action ~~of~~ taken by the Chair ~~taken~~ pursuant to subsection 1 ~~under the following circumstances~~ is deemed ratified by the Commission if the action occurred:

(a) ~~If the Chair's action occurred during~~ During a meeting of the Commission, ~~meeting, the Chair's action is ratified if~~ and the Commission does not overturn or address the action ~~at~~ during that meeting~~;~~ or

(b) ~~If the Chair's action occurred at~~ At a time other than during a meeting of the Commission, ~~if~~ and the Commission does not overturn or address the ~~Chair's~~ action at the next meeting ~~concerning that particular matter~~ of the Commission.

5. The Chair may sign ~~all orders~~ an order issued by the Commission on behalf of the Commission.

6. When the Commission is a party to civil litigation, the Chair may give guidance regarding the course of the litigation to the attorney for the Commission.

2.030 Commission meetings.

1. Except as otherwise ~~specifically~~ provided by these regulations, ~~any~~ a member of the Commission may place an item on ~~a~~ the agenda for a meeting of the Commission ~~agenda~~ for consideration by the ~~entire~~ Commission.

2. The Chair of the Commission may alter the order in which matters on the agenda for a meeting of the Commission ~~agenda~~ are heard.

3. ~~Requests~~ A request for a special ~~and~~ or recessed ~~meetings will~~ meeting may be granted only upon a showing of exceptional circumstances. The Commission may require that a person requesting a special or recessed meeting pay the costs associated with holding such a meeting, in addition to those costs usually assessed against an applicant, as applicable.

4. In the absence or incapacity of the Chair, the Vice-Chair of the Commission may call a special meeting. In the absence or incapacity of both the Chair and the Vice-Chair, any two members of the Commission may call a special meeting.

5. Unless otherwise ordered by the Chair, ~~requests~~ a request for ~~continuances~~ continuance of ~~any~~ a matter on the agenda for a meeting of the Commission ~~agenda~~ must be submitted in writing, ~~must~~ set forth in detail the reasons a continuance is necessary, and ~~must~~ be received by the ~~executive secretary~~ Executive Secretary no later than ~~eight~~ 8 calendar days before the meeting of the Commission.

6. Unless otherwise ordered by the Chair, the original version of ~~any~~ documentation supplementing an application, as required by the

Board, must be received by the ~~{executive secretary}~~ Executive Secretary no later than ~~{eight}~~ 8 calendar days before the meeting of the Commission. Documentation not timely received will not be considered by the Commission unless the Commission, in its discretion, otherwise consents. The Chair may defer to another meeting ~~{any}~~ a matter with respect to which documentation has not been timely ~~{submitted}~~ received. The applicant and its enrolled attorney or agent, if ~~{any}~~ applicable, must appear at the meeting of the Commission to which the matter is deferred, unless the Chair waives their appearances.

2.035 Board meetings.

1. Except as otherwise ~~{specifically}~~ provided by these regulations, ~~{any}~~ a member of the Board may place an item on ~~{a}~~ the agenda for a meeting of the Board ~~{agenda}~~ for consideration by the ~~{entire}~~ Board.

2. The Chair of the Board ~~{Chair}~~, or in the ~~{Board}~~ Chair's absence, either remaining member of the Board ~~{member}~~, may alter the order in which matters on the agenda for a meeting of the Board ~~{agenda}~~ are heard.

3. ~~{Requests}~~ A request for a special ~~{and}~~ or recessed ~~{meetings will}~~ meeting may be granted only upon a showing of exceptional circumstances. The Board may require that a person requesting a special or recessed meeting pay the costs associated with holding such a meeting, in addition to those costs usually assessed against an applicant, as applicable.

4. In the absence or incapacity of the ~~{Board}~~ Chair, either remaining member of the Board ~~{member}~~ may call a special meeting.

5. Unless otherwise ordered by the ~~{Board}~~ Chair, ~~{requests}~~ a request for ~~{continuances}~~ continuance of ~~{any}~~ a matter on the agenda for a meeting of the Board ~~{agenda}~~ must be submitted in writing, ~~{must}~~ set forth in detail the reasons a continuance is

necessary, and ~~{must}~~ be received by the ~~{executive secretary}~~ *Executive Secretary* no later than ~~{eight}~~ 8 calendar days before the meeting *of the Board*.

6. Unless otherwise ordered by the ~~{Board}~~ Chair, the original *version* of ~~{any}~~ documentation supplementing an application, as required by the Board, must be received by the ~~{executive secretary}~~ *Executive Secretary* no later than ~~{eight}~~ 8 calendar days before the meeting *of the Board*. Documentation not timely received will not be considered by the Board unless the Board, in its discretion, otherwise consents. The ~~{Board}~~ Chair may defer to another meeting ~~{any}~~ a matter with respect to which documentation has not been timely ~~{submitted}~~ *received*. The applicant and its enrolled attorney or agent, if ~~{any}~~ *applicable*, must appear at the meeting *of the Board* to which the matter is deferred, unless the ~~{Board}~~ Chair waives their appearances.

2.040 Appearances.

1. Except as *otherwise* provided in subsection 2 or unless an appearance is waived by the Chair *of the Commission*, ~~{all persons}~~ *each person*, and ~~{their}~~ *his or her* enrolled ~~{attorneys and agents}~~ *attorney or agent*, if ~~{any, must}~~ *applicable, shall* appear at the *meeting of the* Commission ~~{meeting}~~ at which ~~{their}~~ *his or her* matter is to be heard. ~~{Requests}~~ *A request* for ~~{waivers}~~ *a waiver* of ~~{appearances}~~ *appearance* must be *submitted* in writing, ~~{must}~~ be received by the ~~{executive secretary}~~ *Executive Secretary* no later than ~~{eight}~~ 8 business days before the meeting, and ~~{must}~~ explain in detail the reasons for requesting the waiver. If at the time of its meeting the Commission ~~{has any questions of an applicant}~~ *desires to question a person* who has been granted a waiver *pursuant to this subsection* and *that person* is not present, the matter may be deferred to ~~{another}~~ *a future* meeting of the Commission.

2. Unless *an appearance is otherwise required by* the Chair of the Board or the *Chair of the* Commission ~~{otherwise instructs}~~, the following persons, and their enrolled attorneys and agents, are hereby

granted a waiver of appearance for the meeting of the Commission ~~[meeting]~~ at which their matter is to be heard:

(a) ~~[Restricted applicants]~~ A restricted applicant who ~~[have]~~ has received a unanimous recommendation of approval from the Board~~;~~.

(b) A person seeking to transfer an interest in a licensed gaming operation pursuant to Regulation 8.020 ~~[transferors]~~, if ~~[they have]~~ he or she has complied with ~~[all conditions]~~ each condition recommended by the Board~~[- such as timely submitting diagrams and other documents prior to the Commission meeting; and]~~.

(c) ~~[Licensees and]~~ A licensee who has entered into a stipulation with the Board, ~~[counsel on stipulations between the licensees and the Board, where]~~ if the ~~[stipulations]~~ stipulation fully ~~[resolve petitions]~~ resolves a petition for ~~[redeterminations]~~ a redetermination or ~~[claims]~~ a claim for ~~[refunds]~~ refund.

3. ~~[Where the Commission is to consider]~~ If a stipulation between the Board and a licensee, settling a disciplinary action ~~[and]~~ by revoking, suspending, or conditioning a license, is scheduled to be heard before the Commission, the licensee ~~[shall]~~ must be prepared to respond on the record to questions regarding the terms of the stipulation and the licensee's voluntariness in entering into the stipulation.

4. Unless an appearance is waived by the ~~[Board]~~ Chair of the Board, ~~[all persons,]~~ each person, and ~~[their]~~ his or her enrolled ~~[attorneys and agents,]~~ attorney or agent, if ~~[any, must]~~ applicable, shall appear at the meeting of the Board ~~[meeting]~~ at which ~~[their]~~ his or her matter is to be heard. ~~[Requests]~~ A request for ~~[waivers]~~ a waiver of ~~[appearances]~~ appearance must be submitted in writing, ~~[must]~~ be received by the ~~[executive secretary]~~ Executive Secretary no later than ~~[eight]~~ 8 business days before the meeting, and ~~[must]~~ explain in detail the reasons for requesting the waiver. If at the time of its meeting the Board has any questions of ~~[an applicant]~~ a person who has been granted a waiver pursuant to this subsection and that person is not present, the matter may be deferred to ~~[another]~~ a future meeting of the Board.

2.050 Recessed meetings. ~~[Any]~~ A meeting of the Commission or the Board may be recessed to consider matters which were duly noticed as items on the agenda ~~[of]~~ for that meeting, to such time and place as the Commission or the Board may designate, as applicable. Notice of a recessed meeting to consider matters which were duly noticed as items on the agenda may be given by announcement at the meeting, but where any other matters are to be considered at a recessed meeting, such matters must be duly noticed as required by Regulation 2.070, ~~[of these regulations]~~ or as otherwise required by statute or by these regulations.

2.060 Investigative hearings.

1. ~~[Investigative hearings]~~ An investigative hearing may be conducted by one or more members of the Commission with the concurrence of a majority of the Commission, without notice, at such ~~[times]~~ time and ~~[places]~~ place, within or ~~[without]~~ outside the State of Nevada, as the member or members may deem ~~[convenient]~~ appropriate.

2. ~~[Investigative hearings]~~ An investigative hearing may be conducted by one or more members of the Board with the concurrence of a majority of the Board, without notice, at such ~~[times]~~ time and ~~[places]~~ place, within or ~~[without]~~ outside the State of Nevada, as the member or members may deem ~~[convenient]~~ appropriate.

2.070 Services of notices in general.

1. Each licensee ~~[and]~~ or applicant shall provide an electronic mail address to the Board for the purpose of sending notices and other communications from the Board ~~[and]~~ or Commission. Each licensee and applicant shall update this electronic mail address immediately ~~[as often as is otherwise necessary]~~ after the licensee changes its

electronic mail address of record. The original provision and subsequent updates of electronic mail addresses ~~[shall]~~ **must** be made to the Board's custodian of records by ~~[means designated by the]~~ using the self-service electronic portal provided by the Board ~~[Chair]~~ on the Board's website.

2. Except as otherwise provided by law or in these regulations, notices and other communications will be sent to ~~[an]~~ a licensee or applicant ~~[or licensee]~~ by electronic mail at the electronic mail address ~~[of the establishment]~~ as provided to the Board ~~[for the purpose of sending notices and other communications]~~ pursuant to subsection 1. Except as otherwise provided by law or in these regulations, notices and other communications sent by electronic mail shall satisfy any requirement to mail a notice or other communication.

3. ~~[Notices shall be]~~ A notice is deemed ~~[to have been]~~ served on the date the Board or Commission ~~[or the Board]~~ sent such ~~[notices]~~ notice to a licensee or applicant via the electronic mail address provided to the ~~[Commission and the]~~ Board ~~[by a licensee or applicant]~~ pursuant to subsection 1, and the time specified in ~~[any such]~~ the notice ~~[shall commence]~~, if applicable, begins to run from the date of such mailing.

4. ~~[Any]~~ If a licensee or applicant ~~[or licensee who]~~ desires to have notices or other communications mailed to a physical address ~~[shall]~~, the licensee or applicant must file ~~[with the Board]~~ a ~~[specific]~~ written request for that purpose ~~[, and]~~ with the Board. Upon receipt of such a request, the Board and Commission must mail notices and other communications ~~[will, in such case, be sent]~~ to the licensee or applicant ~~[or licensee]~~ at such address.

5. ~~[An applicant or licensee]~~ The Board and Commission will ~~[be addressed]~~ address a licensee or applicant under the name or style designated on the license or in the application ~~[or license, and]~~. The Board or Commission will not send separate notices or communications ~~[will not be sent]~~ to individuals named on such

license or in such application ~~{or license}~~ unless a ~~{specific}~~ written request for that purpose is filed with the Board.

~~{(a)}~~ In the absence of such specific request, a notice addressed under the name or style designated on the license or in the application ~~{or license}~~ shall be deemed to be notice to all individuals named on such license or in such application ~~{or license}~~.

2.080 Subpoenas. The Commission hereby delegates to the ~~{executive secretary}~~ Executive Secretary the authority to issue subpoenas and subpoenas duces tecum as provided by these regulations. In the absence of the ~~{executive secretary}~~ Executive Secretary, the Chair of the Commission may designate another person to issue such subpoenas.

2.090 Improper attempts to obtain information. ~~{No}~~ Each applicant, licensee, or enrolled person ~~{shall}~~ is prohibited from, directly or indirectly, ~~{procure}~~ procuring or ~~{attempt}~~ attempting to procure from the records of the Commission or the Board or other sources, information of any kind which is not made available to such person by proper authority.

2.100 Appointment of committees. The Chair of the Board or the Chair of the Commission may ~~{at the Chair's discretion}~~ appoint committees to study and report to the Board or the Commission any matter appropriate to the ~~{Commission's}~~ administration of the Gaming Control Act or these regulations.

2.105 Esports Technical Advisory Committee.

1. Pursuant to Senate Bill No. 165, chapter 443, Statutes of Nevada 2021, at page 2806, the Board shall appoint members to the Esports Technical Advisory Committee of the Board.

2. The Board shall designate a member of the Committee to serve as Chair of the Committee.

3. Each member of the Committee serves at the pleasure of the Board.

4. The Board shall furnish to the Committee such administrative and clerical services as the Board may deem necessary or desirable in the Committee carrying out its functions.

5. The Committee must meet at least once per calendar quarter at the offices of the Board. Additional meetings of the Committee may be held, at the discretion of the Committee, at such times as it may deem convenient.

6. A quorum of the Committee is necessary for the Committee to hold a meeting. A majority of the members is a quorum of the Committee.

7. At a meeting of the Committee held pursuant to this section, the Committee may, by a majority vote, recommend to the Board and Commission the adoption of regulations necessary to safeguard the integrity of Esports when wagers are placed at such competitions.

2.110 Employment and termination of Board employees.

1. The Board declares that pursuant to NRS 463.080(6), a comprehensive plan governing employment and retention or discharge of employees to assure that termination or other adverse action is not taken against such employees except for cause, and provisions for hearings in personnel matters and for review of adverse actions taken

in such matters, is hereby established and set forth in the Board's human resources manual.

2. The human resources manual [articulates Board and Commission] must include, without limitation, policies and procedures [in the following areas of personnel administration: Position] related to position classification; compensation administration; employment procedures and laws and rules applicable thereto; employee performance evaluation[, which encompasses performance standards]; employee grievance; corrective and disciplinary action; separation from state service; and rule adoption, amendment, or repeal.

3. Employees of the Board or Commission ~~[employees]~~ who are within the state classified service ~~[shall be]~~ are governed by the provisions of the human resources manual only as to matters involving termination ~~[-; all]~~. All other matters pertaining to a classified employee ~~[shall be]~~ are governed by the provision of chapter 284 of NRS and by the [rules and] regulations [of the state division of human resources management] adopted by the Division of Human Resource Management of the Department of Administration or the Personnel Commission, as applicable.

4. The human resources manual may be modified ~~[from time to]~~ by the Board at any time to better accomplish the objectives of the gaming policy of ~~[the]~~ this State ~~[of Nevada]~~.

2.115 Employee records.

1. All records described in NAC 284.718 concerning employees of the Board ~~[and]~~ or Commission ~~[employees]~~ maintained by the Board or Commission are confidential ~~[as set out in NAC 284.718]~~.

2. Access to employee records declared confidential by this section ~~[shall be allowed only as set out]~~ is governed by the process set forth in NAC 284.726.

2.120 Procedure for control of evidence and destruction of cheating devices.

1. ~~[When]~~ *If* an agent of the Board seizes ~~[any]~~ *an* article of property, the custodian of evidence for the Board ~~[shall]~~ *must* place the evidence in a secure facility and enter in a suitable system sufficient information to establish a chain of custody. ~~[A failure]~~ *Failure* to comply with this subsection ~~[shall]~~ *does* not render evidence inadmissible in any proceeding before the Board or Commission.

2. [Any] *An* article of property which constitutes a cheating device [shall not be returned to a claimant. All cheating devices] shall become the property of the Board upon [their] *its* seizure and may [periodically] be disposed of by the Board. [When] *If* disposing of a cheating device, the Board [shall] *must* document the date and manner of its disposal.

3. The Board shall notify by first-class mail each known claimant of a cheating device that the claimant has 60 days from the mailing of notice within which to file a written claim to contest its depiction as a cheating device.

4. Failure to timely file a written claim ~~[as provided in]~~ *pursuant to* subsection 3 constitutes an admission by all claimants that the article of property is subject to destruction. The *Chair of the* Board ~~[Chair shall have]~~ *has* complete and absolute authority to rule on a claim filed ~~[pursuant to]~~ *under* subsection 3. ~~[After]~~ *Upon* expiration of the 60-day period, the Board may retain or dispose of the cheating device in any reasonable manner.

End – Regulation 2