

Nevada Gaming Control Board
November 6, 2024 Meeting
RE: Nevada Gaming Commission Regulation 5.225
Public Comment - Submitted 11/06/2024

From: Scherer, Scott
Sent: Tuesday, November 5, 2024 1:03 PM
To: John S. Michela; Barbee, Jim **Cc:** Jennifer Carleton
Subject: Suggested Changes to Regulation 5.225

WARNING - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

John and Jim,

Attached please see some suggested changes to the draft amendments for Regulation 5.225 from Sightline. The two primary changes are to allow funds to be moved and used outside Nevada if done in accordance with applicable laws and to allow payment card transactions to rely on a cashless wagering system for authorization and recording. This will promote efficiency for licensee in being able to use the same software for multiple purposes.

Please let us know if you have any questions or would like to discuss.

Best,

Scott

Scott Scherer

Brownstein Hyatt Farber Schreck, LLP

5520 Kietzke Lane, Suite 110

Reno, NV 89511

775.398.3804 tel

Brownstein - we're all in.

STATEMENT OF CONFIDENTIALITY & DISCLAIMER: The information contained in this email message is attorney privileged and confidential, intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this email is strictly prohibited. If you have received this email in error, please notify us immediately by calling (303) 223-1300 and delete the message. Thank you.

PROPOSED AMENDMENTS TO REGULATION 5.225

PURPOSE: To allow wagering accounts to be used more broadly than placing wagers, including, without limitation, to be used for retail purchases; and to take such additional action as may be necessary and proper to effectuate this stated purpose.

**REGULATION 5
OPERATION OF GAMING ESTABLISHMENTS**
(Draft Date October 22, 2024)

New
~~{Deleted}~~

5.225 Wagering accounts.

1. Definitions. As used in this section:

- (a) "Chair" means the Chair of the Nevada Gaming Control Board or the Chair's designee.
- (b) "Licensee" means any person to whom a valid gaming license has been issued.
- (c) "Secure personal identification" means a method of uniquely identifying a patron through which the licensee may verify access to, or use of, a wagering account.
- (d) "Wagering account":
 - (1) Means an electronic ledger operated and maintained by a licensee for a patron in connection with:
 - (I) ~~T~~he patron's use and play of any or all authorized games and gaming devices, including, but not limited to, race books, sports pools, mobile gaming systems, and interactive gaming; ~~and~~
 - (II) Any other use approved by the Chair.
 - (2) ~~Such electronic ledger records wherein~~ information relative to such use ~~{and play} {is recorded}~~ on behalf of the patron including, but not limited to, the following types of transactions:
 - (I) Deposits;
 - (II) Withdrawals;
 - (III) Debits;
 - (IV) Credits;
 - (V) Service or other transaction-related charges authorized by the patron; and
 - (VI) Adjustments to the wagering account.

~~(2)(3) Does not mean an electronic ledger:~~

(I) An electronic ledger ~~Used used~~ solely by a licensee to track reward points or credits or similar benefits issued by a licensee to a patron and not obtained by the patron through the payment of cash or cash equivalent even if such reward points or credits or similar benefits are redeemable for cash, provided the electronic ledger does not allow deposits by a patron; or

(II) "An electronic ledger system used to communicate with a licensee's cashless wagering system for the purpose of facilitating a patron's use of the funds in a separate account belonging to the patron, the balance of which is determined, monitored, and retained by the licensee's cashless wagering system

or

Formatted: Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Indent: Hanging: 0.07"

(II) An electronic ledger. Used-used solely to record and track wagering vouchers whose validity and value are determined, monitored, and retained by a licensee's cashless wagering system and/or to communicate with a licensee's cashless wagering system for the purpose of facilitating a patron's use or redemption of wagering vouchers whose validity and value are determined, monitored, and retained by the licensee's cashless wagering system. For purposes of this sub-sub paragraph, the term "wagering voucher" has the meaning ascribed to it in subsection 6 of NRS 463.369.

Formatted: Highlight

Formatted: Highlight

2. No Change.

3. Scope of use of wagering accounts.

(a) Subject to paragraph (b) of this subsection, a licensee may establish and allow the use of wagering accounts **funds** for patrons' **gaming** activity **occurring in Nevada** with any licensed gaming establishment of the licensee and with any affiliate of the licensee **and with any tenant of the licensee or of any affiliate of the licensee. A licensee shall ensure all activity for which it allows the use of a wagering account is in compliance with state and federal law and these regulations. The funds in a wagering account may be used for the patron's activity outside of Nevada with any affiliate of the licensee or any tenant of any affiliate of the licensee as long as such use complies with all applicable laws in the jurisdiction(s) where used.**

Formatted: Highlight

Formatted: Highlight

(b) Before a licensee allows its wagering accounts to be used by patrons in connection with their use and play of games and gaming devices with any other gaming establishment of the licensee or with any affiliate of the licensee, the licensee must:

(1) Submit to the Chair a written proposal for implementation of such wagering accounts that addresses the following:

(I) The proper reporting of revenue;

(II) How minimum bankroll requirements will be satisfied;

(III) How the reserve requirements of this section will be satisfied;

(IV) Compliance with the Board's minimum internal control procedures adopted pursuant to Regulation 6.090; and

(V) Any additional items or information as the Chair may require.

(2) Obtain the written administrative approval from the Chair subject to such conditions or limitations that the Chair may impose.

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.

17. No Change.

18. No Change.

19. No Change.

20. No Change.

21. No Change.