BECKY HARRIS

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EDUCATION

LL.M. William S. Boyd School of Law, 2016
J.D. Brigham Young University, 1992
M.A. University of Nevada, Las Vegas, 2000
B.A. Brigham Young University, 1989

PUBLIC SERVICE

2018 **Chairwoman, Nevada Gaming Control Board**

First female chair of the finest regulatory body in the world.

2014 – 2018 **Nevada State Senator**

Proudly representing Senate District 9 in Southwest Las Vegas. Currently serving as Senate Republican Co-Caucus Policy Coordinator. Senate Committee assignments for the 2017 legislative session included: Finance, Judiciary and Education. Had the privilege of serving as the Senate Education Committee Chair during the 2015 legislative session. The education policy decisions of that committee have been described as "historic" and the "largest education reform package in Nevada history".

LEGAL EXPERIENCE

2015 – 2018 **Jerimy Kirschner & Associates**

Associate Attorney for a general civil litigation firm. Assisting a diverse clientele at various stages of litigation. Advised business clients regarding entity formation and maintaining compliance with State and local regulations. Focus areas include bankruptcy, commercial lease negotiation and dispute resolution.

2013 – 2015 **LAWYERS | WEST**

Associate Attorney. Advised business clients regarding entity formation, maintaining compliance with State and local regulations, contract negotiation and commercial real estate deals. Represented clients with housing and debt management concerns. Provided support for estate planning matters.

2010 – 2014 **Nevada Foreclosure Mediation Program**

Mediator for one of the most successful foreclosure mediation programs in the United States. Established protocols for conducting mediations that were later adopted by the program for all mediators. Facilitated communication between lenders and homeowners as they explored

solution-oriented possibilities while working to resolve foreclosure and home mortgage challenges.

2011 – 2013 **Law Offices of Patrick Driscoll**

Associate Attorney. Successfully represented clients experiencing a variety of housing challenges as they navigated loan modification, short sale, foreclosure, and federal housing programs. Assisted clients with debt management challenges, debt negotiation, and Chapter 7 &13 bankruptcy. Provided support for family law matters.

1993 – 1994 **S. Page Allen and Associates**

Associate Attorney. Worked with lenders, lienholders and clients to secure title to property. Prepared, reviewed and corrected title policy applications, corrected title problems and conducted real estate settlements.

EDUCATOR

2011 **College of Southern Nevada**

Adjunct Instructor. Taught web-based distance learning Political Science 101 courses. Created novel course content to better engage students.

1999 – 2000 **University of Nevada, Las Vegas**

Graduate Assistant Instructor. Developed content for and taught Political Science 101 in a classroom setting.

1998 – 2004 **Barstow Community College**

Part-time Instructor. Instrumental in developing and enhancing the Administration of Justice Program by assessing, evaluating and diversifying course offerings. Expanded the college's distance learning course offerings by creating on-line courses for political science, business law and criminal justice.

1998 **Golden Gate University**

Adjunct Faculty Member. Taught Administrative Law for the Masters of Public Administration program.

1998 – 1999 **Park University**

Adjunct Faculty Member. Developed and taught Constitutional Law in Criminal Justice and Senior Seminar in Criminal Justice.

1998 **Embry-Riddle Aeronautical University**

Adjunct Faculty Member. Instructed military aviators in aviation law.

1996 – 1997 **Miller Motte Business College**

Part-time Instructor. Created course materials for the Paralegal and

General Education Departments. Taught contract law, business law, family law, business associations and corporate entities and oral communications. Received Miller-Motte's Outstanding Teacher Award.

APPOINTMENTS

2016 – Present **Uniform Law Commission**

Commissioner. Uniform Law Commission provides states with non-partisan, model legislation that provides clarity for important and emerging areas of state statutory law.

Member. Drafting Committee, Electronic Wills Act 2017.

PROFESSIONAL ASSOCIATIONS

Nevada State Bar
Virginia State Bar
Tennessee State Bar
US Supreme Court Bar

Background Materials

Becky Harris

Chairwoman, Nevada Gaming Control Board

Before the Judiciary's Subcommittee on

Crime, Terrorism, Homeland Security and Investigations

Washington, D.C. – September 27, 2018

Nevada has several decades' worth of experience with legal regulated sports betting. As early as 1949, Nevada allowed bookmakers to accept bets on professional sports.[1] The first Nevada sports books were independent from casinos and had informal agreements with the hotels that they would stay out of the casino business as long as the hotels stayed out of the sports book business.[2] These sports books were small stand-alone shops referred to as "turf clubs". Some of the turf clubs from the early days include the Derby and Saratoga Clubs[3] and the Hollywood Horse and Sports Book.[4] It is rumored that these early turf clubs were very lucrative.[5] Despite the agreements between the casinos and the turf clubs, sports betting remained unregulated by the State of Nevada.

In 1951, "reacting to a groundswell of opposition to all the illegal sports gambling outside of Nevada, the federal government slapped a 10% tax on Nevada's legal sports books [handle]."[6] More commonly known as the Revenue Act of 1951, a law still in effect today (although amended) this excise tax "drove a lot of the legitimate operators either out of business or into the untaxed underground."[7]

During the 1955 legislative session, the Nevada Legislature created the Gaming Control Board within the Nevada Tax Commission.[8] The Board's purpose at that time was to create a policy to eliminate the undesirable elements in Nevada gaming, provide regulations for the licensing and the operation of gaming and make sure gaming taxes were correctly reported to

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[1] Legalized sports wagering elsewhere might not affect Nevada much, Richard Velotta, Las Vegas Sun, January 6, 2013.

[2] Why Congress should repeal a federal tax on sports betting, David G. Schwartz, hppt://vegaseven.com/2015/03/10/congress-repeal-federal-tax-sports-betting/, March 10, 2015.

[3] Owned by Jackie Gaughan.

[4] Owned by Jimmy "the Greek" Snyder.

[5] Anthony Curtis, Question of the Day – 17 November 2017, Lasvegasadvisor.com/question/sports-betting-history, July 9, 2018. It is speculated that Jimmy "the Greek" Snyder was making $2 million a week in the mid-1050s.

[6] Anthony Curtis, Question of the Day – 17 November 2017, Lasvegasadvisor.com/question/sports-betting-history, July 9, 2018.

[7] Anthony Curtis, Question of the Day – 17 November 2017, Lasvegasadvisor.com/question/sports-betting-history, July 9, 2018.

[8] Nevada Gaming Control Board Website, Gaming.nv.gov/index.aspx?page=2, July 9, 2018.

the state.[9] It wasn't until 1959, with the creation of the Nevada Gaming Commission, that the current framework for regulated gaming in Nevada was created.[10]

Regulation of legal race books and sports pools by the nascent Nevada Gaming Control Board wasn't enough to root out all the illegal bookmakers. The 10% tax "drove legitimate Nevada casinos out of sports betting."[11]

To pave the way for legalized sports betting to re-establish itself, an appropriate tax structure was necessary so that legal operators could offer bets that would entice those wanting to wager on sports to do so in a safe and regulated market as opposed to the competing illegal market. In 1974, U.S. Senator Howard Cannon, D-Nev., succeeded in passing a bill that reduced the 10% excise tax to 2%.[12] Casinos began to see the benefits of offering sports betting and "within a decade", turf clubs ceased to exist and race books and sports pools became amenities inside casinos. [13] While the first race book and sports pool to open inside a casino occurred in 1975 at the Union Plaza,[14] Nevada Gaming Control Board records show the last turf club in Nevada closed its doors in the fall of 1996.

The 1977 Nevada Legislature established the public policy for gaming by enacting the following:

1. *The legislature hereby finds, and declares to be the public policy of this state, that:*

    (a) The gaming industry is vitally important to the economy of the state and the general welfare of the inhabitants.

    (b) The continued growth and success of the gaming industry is dependent upon public confidence and trust that licensed gaming is conducted honestly and competitively and that the gaming industry is free from criminal and corruptive elements.

    (c) Public confidence and trust can only be maintained by strict regulation of all persons, locations, practices, associations and activities related to the operation of licensed gaming establishments and the manufacture or distribution of gambling devices and equipment.

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[9] Nevada Gaming Control Board Website, Gaming.nv.gov/index.aspx?page=2, July 9, 2018.
[10] Nevada Gaming Control Board Website, Gaming.nv.gov/index.aspx?page=3, July 11, 2018.
[11] Why Congress should repeal a federal tax on sports betting, David G. Schwartz, hppt://vegaseven.com/2015/03/10/congress-repeal-federal-tax-sports-betting/, March 10, 2015.
[12] Why Congress should repeal a federal tax on sports betting, David G. Schwartz, hppt://vegaseven.com/2015/03/10/congress-repeal-federal-tax-sports-betting/, March 10, 2015.
[13] Why Congress should repeal a federal tax on sports betting, David G. Schwartz, hppt://vegaseven.com/2015/03/10/congress-repeal-federal-tax-sports-betting/, March 10, 2015.
[14] Anthony Curtis, Question of the Day – 17 November 2017, Lasvegasadvisor.com/question/sports-betting-history, July 9, 2018.

(d) All establishments where gaming is conducted and where gambling devices are operated, and manufacturers, sellers and distributors of certain gambling devices and equipment in the state shall therefore be licensed, controlled and assisted to protect the public health, safety, morals, good order and general welfare of the inhabitants of the state and to preserve the competitive economy and policies of free competition of the State of Nevada.

2. No applicant for a license or other affirmative commission approval has any right to a license or the granting of the approval sought. Any license issued or other commission approval granted pursuant to the provisions of this chapter or chapter 464 of NRS is a revocable privilege, and no holder acquires any vested right therein or thereunder.

This language has guided Nevada's legalized gambling market for more than 40 years. In all that time, only six modifications (mostly minor) have been made to the statute.

Despite the incentive of a decrease in federal taxation on race books and sport pools, the 2% tax was a hardship and only a few casinos offered betting on sports. Sports book operators maintain a very low house advantage and therefore operate a low-margin business.

In 1982, Congress lowered the tax on legal Nevada sportsbooks to 0.25%, but kept intact the 2% levy on illegal bookmaking operations.[15] Still in effect, this law allows the federal government to collect taxes from not only Nevada, but with the recent repeal of PASPA, Delaware, New Jersey, Mississippi and West Virginia as well, and any other jurisdiction that implements legal sports wagering; or at least it should.

And that brings us to today. For just over 60 years, there has been some form of regulated sports wagering in Nevada, though not necessarily early on in the form we have come to understand regulated sports betting to be. However, with the decrease in the federal excise tax burden, enhanced state oversight, and dedicated state resources, sports betting in Nevada has been and continues to be regulated with integrity and success.

In the era of legalized sports betting in the United States, there are those who feel that the Nevada model should not be emulated.[16] As the most mature regulated gaming market in the United States, Nevada is prepared to lead and share our successful model with interested jurisdictions.

Please allow me to share with you what Nevada considers to be critical to legal regulated sports betting:

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[15] Why Congress should repeal a federal tax on sports betting, David G. Schwartz, hppt://vegaseven.com/2015/03/10/congress-repeal-federal-tax-sports-betting/, March 10, 2015.

[16] When comparing the Nevada and United Kingdom models for sports betting, significant differences are apparent. Specifically, in the United Kingdom there is no federal law overlay such as the wire act for operators to comply with and credit cards can be used for gambling purposes.

First, integrity in gaming is absolutely critical. The stated public policy of Nevada as found in NRS 463.0129(b) and (c) is:

> *(b)* ***The continued growth and success of the gaming industry is dependent upon public confidence and trust that licensed gaming is conducted honestly and competitively and that the gaming industry is free from criminal and corruptive elements.***
>
> *(c)* ***Public confidence and trust can only be maintained by strict regulation of all persons, locations, practices, associations and activities related to the operation of licensed gaming establishments*** . . . .

It is understandable that with more states creating their own sports betting models and offering wagers that concerns about integrity might proliferate. However, it is important to understand that there are at least two different integrity issues being discussed as if they are one and the same. First, is the integrity of the game itself: How the game is played; the conditions of the playing environment; interactions between the coaches, referees and player; how the officiating is conducted; the interactions between players; player health; how the owners of the teams conduct themselves; etc. I agree that sports leagues have the responsibility and ability to self-police and regulate these matters as well as the people involved within their organizations.

The other integrity piece is the betting action that occurs with respect to sporting events. With regard to issues involving how bets are placed, types of bets, what types of data are captured, how much data do you capture, what do you do with the data once you have it, when do you have too much data, who owns the data, whether or not data is shared and if so how it is shared and with whom, and more importantly which data points are shared or not shared, should remain in the province of the regulators. Other concerns, often not articulated, center around whether or not a particular type of sporting or "other event" has a league or organized entity that represents all participants, what happens when an organized league or organized entity decides not to create an integrity structure, or doesn't want to have to self-police the issues that arise when gaming is offered on its events.

The Nevada Gaming Control Board has and continues to meet with interested stakeholders, sports leagues and other entities. The Board will continue to participate and build on its sports betting related affiliations and relationships.

Match fixing is more likely to occur in illegal markets where there is no regulatory responsibility, where monitoring betting patterns is of no concern, and where line movements may not matter. In fact, from the time Nevada established its sports betting regulatory framework around 1982, nearly every major sports betting scandal has been discovered by Nevada bookmakers.

See below for a quick overview of the biggest scandals in sports history:

- 1919 Chicago Black Sox
  Eight Chicago White Sox Players were banned from baseball for life for conspiring with gamblers to throw the 1919 World Series in exchange for cash.[17] **There is no record of any wagers placed in Nevada.**

- 1951 College Basketball Point-Shaving Scandal
  32 players were arrested and admitted accepting bribes from 1947 to 1950 to fix 86 games. This scandal involved City College of New York, winner of the NCAA and National Invitational Tournament titles in 1950, as well as New York University, Long Island University, Manhattan College, Bradley, Toledo and Kentucky (which suspended its basketball program from the 1952-53 season).[18] **There is no record of any wagers placed in Nevada.**

- Late 1970s
  Nevada Regulated Sports Betting Model and Modern Sports Books Begin to Develop.[19]

- 1978 Boston College basketball point-shaving scandal
  Mobster Henry Hill, and twice convicted sports fixer Richard "The Fixer" Perry conspired with three Boston College players to fix nine games during the 1978-79 season. Boston College Eagles player Rick Kuhn received a 10 year prison sentence for his role, but served only 28 months.[20] **There is no record of any wagers placed in Nevada.**

- 1985 Tulane Basketball point-shaving scandal
  Former NBA player John "Hot Rod" Williams was one of five Tulane players charged with shaving points in two games in exchange for cash and cocaine. The scandal, which was **uncovered with the help of Las Vegas bookmakers**, ended with the school dropping its basketball program.[21]

- 1989 Pete Rose

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[17] Las Vegas bookmakers know a fix when they see one, Todd Dewey, Las Vegas Review Journal, September 8, 2017.
[18] Las Vegas bookmakers know a fix when they see one, Todd Dewey, Las Vegas Review Journal, September 8, 2017.
[19] U.S. sports betting market: could New Jersey eclipse Nevada to become no. 1?, Roger Aiken, www.forbes.com, August 12, 2018.
[20] Las Vegas bookmakers know a fix when they see one, Todd Dewey, Las Vegas Review Journal, September 8, 2017.
[21] Las Vegas bookmakers know a fix when they see one, Todd Dewey, Las Vegas Review Journal, September 8, 2017.

Pete Rose was banned from baseball for betting on the Cincinnati Reds while he managed them.[22] "An Ohio bookmaker told prosecutors that he took as much as $1 million in bets from Pete Rose . . . ."[23] **No Nevada sports pools or race books took any action from Mr. Rose.**

- 1994 Arizona State Basketball Point-Shaving Scandal
  Sun Devils players Stevin "Hedake" Smith and Isaac Burton conspired with gamblers to fix four games in the 1993-94 season. The scheme was **uncovered with the help of Las Vegas bookmakers**, who alerted authorities to suspicious betting patterns after taking an estimated $900,000 in wagers on an Arizona State-Washington game that would typically generate $40,000 in wagers.[24]

- 1995 Northwestern Point-Shaving Scandal
  Kenneth Dion Lee and Dewey Williams were indicted in a point-shaving scandal alleging they "took money to insure that the Wildcats lost by more than the point spread in three games in early 1995."[25] **There is no record of any wagers placed in Nevada.**

- 2001 University of Florida
  NCAA requested information from the Nevada Gaming Control Board regarding the betting activity of a University of Florida basketball player who gave inside information on games to a bookmaker.

- 2004-06 Toledo football and basketball point-shaving scandal
  In the first major gambling case involving two sports on a college campus, Rockets football and basketball players conspired with gamblers to shave points in games from 2004 to 2006. Kenny White, who owned the **Las Vegas** Sports Consultants **odds-making firm** at the time, first **alerted the NCAA to suspicions of point shaving** at Toledo after noticing irregular betting patterns on its games.[26]

- 2007 NBA Referee Tim Donaghy
  Veteran NBA official Tim Donaghy was sentenced to 15 months in prison in 2007 for betting on NBA games he officiated, for making calls that affected the point spreads and totals in those games, and providing inside information to gamblers.[27] **There is no record of any wagers placed in Nevada.**

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[22] U.S. states should not copy Nevada sports betting law: MLB, Hilary Russ, Reuters, June 8, 2018.
[23] Bookmaker says Rose bet $1 million, Associated Press, Las Vegas Review Journal, April 25, 1989.
[24] Las Vegas bookmakers know a fix when they see one, Todd Dewey, Las Vegas Review Journal, September 8, 2017.
[25] College basketball; ex-Northwestern players charged in point-shaving, Pam Belluck, The New York Times, 1998.
[26] Las Vegas bookmakers know a fix when they see one, Todd Dewey, Las Vegas Review Journal, September 8, 2017.
[27] Toledo point-shaving suspicions surfaced in 2005, Mike Fish and George J. Tanber, ESPN.com, May 23, 2007.

- 2011 University of San Diego
  The FBI learned about point shaving on USD basketball games after the 2009-2010 season. Five or six games had been compromised. The majority of the wagers were placed with off-shore bookies. **Some small wagers, designed to avoid detection were made with Nevada sports pools**.

- 2012 Auburn University Point-Shaving Scandal
  Varez Ward was indicted for "two counts related to point-shaving accusations." Ward was alleged to "have conspired with others to bribe or solicit one or more individuals to influence an Auburn game" and for trying "to fix games" and offer "money to his teammates."[28] **There is no record of any wagers placed in Nevada.**

- 2014 University of Texas El Paso
  The FBI in El Paso reached out to the Nevada Gaming Control Board about UTEP basketball in January 2014. Three players had been suspended for betting on games. A bookmaker unsuccessfully attempted to recruit the players to fix a game but did not get them to bet. **No significant bets were taken on the games**.

In the majority of the examples above, illegal bookmakers and illegal bookmaking operating independent of regulated sports betting provided the conditions that fostered point-shaving and match-fixing. When significant sums were wagered in regulated sports books, it was readily apparent that suspicious activities were taking place.

Second, it is imperative that jurisdictions embarking on legalized sports betting understand the impact tax rates and fee structures have both on a legalized regulated sports betting market and the illegal sports betting market. To foster a robust and healthy legal sports betting market, state tax structures **must** be reasonable.

Nevada already has a strong model for sports betting in place; one that has been refined over decades. The State of Nevada has buttressed that model with significant resources in the form of an enforcement structure, audit and accounting controls and requirements and processes that ensure consumer protection. Over the past 40 years Nevada has developed a specialized regulatory knowledge with regard to sports betting that cannot be easily replicated in a short period of time.

Nevada's race and sports books accept a certain level of risk (that other models such as the UK don't accept) when pricing their offerings. Operating on thin margins (5% or less), navigating volatile revenues (the unpredictability of game outcomes) and a constant need to be competitive, Nevada race and sports books have almost as much on the line as the bettors do. The sports pools have to hope that their line setters can anticipate the outcome of a game

[28] Former Auburn player indicted in point-shaving scandal, Scott Gleeson, USA Today, June 4, 2013.

better than the sports enthusiast who places a wager. A good example of the thin margins and high volatility in sports betting comes from Las Vegas. As the Las Vegas Golden Knights continued their quest for the Stanley Cup last season, Nevada Sports Books were looking at losses ranging from $5-7 Million US.[29]

Any new jurisdictions that engage in legalized sports wagering won't simply be competing against other states with legalized sports betting. They will also be competing with off-shore illegal operators and illegal operators within their own and other jurisdictions.[30] Reasonable tax rates are essential for legal sports betting products to be competitive with illegal providers. Any additional fees, to the extent they are implemented, only serve to facilitate off-shore illegal gambling operations by making legal betting products that much more expensive.

The various fees that have been proposed by major sports leagues and others have devolved from an "integrity fee" to a "royalty fee" to a "commission" to a "processing fee" and now a "share in wagering." The NBA admitted at Connecticut's Public Safety Committee Informational Forum that the "fee is not *solely* to preserve the integrity of the game."[31] Legalized sports betting actually benefits professional sports and sports leagues. Sports wagering can be a tool to increase fan engagement, particularly with regard to sports that are seeing a decline in television ratings.[32] A well-regulated gaming market shifts betting away from the illegal market to the degree the legal market satisfies a given bettor.

State gaming regulators recently released a statement declaring, "[a]dditional fees, including the so-called "integrity fee," increase the costs of legal sports betting, siphon much needed tax revenues away from state coffers, and increase state regulatory burdens.[33] Keeping taxes low and eliminating fees helps ensure that legal betting products can be priced competitively with illegal market products. To give you context for how an increased fee structure would impact Nevada sport books, I have provided the chart below outlining how additional fees of 2%, 1% and 0.25% would have impacted just the Super Bowl write and win in Nevada for the past 27 years.

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[29] Sports books excited for Las Vegas Knights despite possible $7 M loss, Todd Dewey, Las Vegas Review Journal, https://www.reviewjournal.com/sports/betting/sports-books-excited-for-golden-knights-despite-possible-7m-loss/, 5.24.2018.

[30] Joe Lemire, New U.S. sports betting markets have started a data war, https://www.sporttechie.com/sports-betting-official-data-rights-mlb-nfl-nba-pga-nhl-ncaa/, June 29, 2018.

[31] Connecticut not interested in paying leagues a sports betting royalty, Jill R. Dorson, https://sportshandle.com/connecticut-sports-betting-hearing-nba-mlb-fee, March 1, 2018.

[32] Regulatory Models for Sports Wagering: The Debate Between State vs. Federal Oversight, Keith C. Miller and Anthony N. Cabot, 4/10/2018, 9:52 am., page 161.

[33] State gambling regulators equipped and ready to take charge on legal sports betting industry, https://www.linkedin.com/pulse/state-gambling-regulators-equipped-ready-take-charge-legal-wilsenach, May 22, 2018.

Nevada Super Bowl Historic Write and Win

Year	Super Bowl Write	Super Bowl Win Amounts	2% Fee (Super Bowl Write X 2% Fee)	Win less 2% Fee (Super Bowl Win Amount less 2% Fee)	Estimated Percentage Fee Collections from Super Bowl Win (Super Bowl Win Amount X 6.75%)
1991	$ 40,080,409	$ 3,512,241	$ 801,608	$ 2,710,633	$ 237,076
1992	$ 50,334,277	$ 301,280	$ 1,006,686	$ (705,406)	$ 20,336
1993	$ 56,811,405	$ 7,174,869	$ 1,136,228	$ 6,038,641	$ 484,304
1994	$ 54,483,221	$ 7,481,541	$ 1,089,664	$ 6,391,877	$ 505,004
1995	$ 69,591,818	$ (396,674)	$ 1,391,836	$ (1,788,510)	$ (26,775)
1996	$ 70,907,801	$ 7,126,145	$ 1,418,156	$ 5,707,989	$ 481,015
1997	$ 70,853,211	$ 2,265,701	$ 1,417,064	$ 848,637	$ 152,935
1998	$ 77,253,246	$ 472,033	$ 1,545,065	$ (1,073,032)	$ 31,862
1999	$ 75,986,520	$ 2,906,601	$ 1,519,730	$ 1,386,871	$ 196,196
2000	$ 71,046,751	$ 4,237,978	$ 1,420,935	$ 2,817,043	$ 286,064
2001	$ 67,661,425	$ 11,002,636	$ 1,353,229	$ 9,649,408	$ 742,678
2002	$ 71,513,304	$ 2,331,607	$ 1,430,266	$ 901,341	$ 157,383
2003	$ 71,693,032	$ 5,264,963	$ 1,433,861	$ 3,831,102	$ 355,385
2004	$ 81,242,191	$ 12,440,698	$ 1,624,844	$ 10,815,854	$ 839,747
2005	$ 90,759,236	$ 15,430,138	$ 1,815,185	$ 13,614,953	$ 1,041,534
2006	$ 94,534,372	$ 8,828,431	$ 1,890,687	$ 6,937,744	$ 595,919
2007	$ 93,067,358	$ 12,930,175	$ 1,861,347	$ 11,068,828	$ 872,787
2008	$ 92,055,833	$ (2,573,103)	$ 1,841,117	$ (4,414,220)	$ (173,684)
2009	$ 81,514,748	$ 6,678,044	$ 1,630,295	$ 5,047,749	$ 450,768
2010	$ 82,726,367	$ 6,857,101	$ 1,654,527	$ 5,202,574	$ 462,854
2011	$ 87,491,098	$ 724,176	$ 1,749,822	$ (1,025,646)	$ 48,882
2012	$ 93,899,840	$ 5,064,470	$ 1,877,997	$ 3,186,473	$ 341,852
2013	$ 98,936,798	$ 7,206,460	$ 1,978,736	$ 5,227,724	$ 486,436
2014	$ 119,400,822	$ 19,673,960	$ 2,388,016	$ 17,285,944	$ 1,327,992
2015	$ 115,986,086	$ 3,261,066	$ 2,319,722	$ 941,344	$ 220,122
2016	$ 132,545,587	$ 13,314,539	$ 2,650,912	$ 10,663,627	$ 898,731
2017	$ 138,480,136	$ 10,937,826	$ 2,769,603	$ 8,168,223	$ 738,303
2018	$ 158,586,934	$ 1,170,432	$ 3,171,739	$ (2,001,307)	$ 79,004
Totals	**$ 2,409,443,826**	**$ 175,625,334**	**$ 48,188,877**	**$ 127,436,457**	**$ 11,854,710**

Nevada Super Bowl Historic Write and Win

Year	Super Bowl Write	Super Bowl Win Amounts	1% Fee (Super Bowl Write X 1% Fee)	Win less 1% Fee (Super Bowl Win Amount less 1% Fee)	Estimated Percentage Fee Collections from Super Bowl Win (Super Bowl Win Amount X 6.75%)
1991	$ 40,080,409	$ 3,512,241	$ 400,804	$ 3,111,437	$ 237,076
1992	$ 50,334,277	$ 301,280	$ 503,343	$ (202,063)	$ 20,336
1993	$ 56,811,405	$ 7,174,869	$ 568,114	$ 6,606,755	$ 484,304
1994	$ 54,483,221	$ 7,481,541	$ 544,832	$ 6,936,709	$ 505,004
1995	$ 69,591,818	$ (396,674)	$ 695,918	$ (1,092,592)	$ -
1996	$ 70,907,801	$ 7,126,145	$ 709,078	$ 6,417,067	$ 481,015
1997	$ 70,853,211	$ 2,265,701	$ 708,532	$ 1,557,169	$ 152,935
1998	$ 77,253,246	$ 472,033	$ 772,532	$ (300,499)	$ 31,862
1999	$ 75,986,520	$ 2,906,601	$ 759,865	$ 2,146,736	$ 196,196
2000	$ 71,046,751	$ 4,237,978	$ 710,468	$ 3,527,510	$ 286,064
2001	$ 67,661,425	$ 11,002,636	$ 676,614	$ 10,326,022	$ 742,678
2002	$ 71,513,304	$ 2,331,607	$ 715,133	$ 1,616,474	$ 157,383
2003	$ 71,693,032	$ 5,264,963	$ 716,930	$ 4,548,033	$ 355,385
2004	$ 81,242,191	$ 12,440,698	$ 812,422	$ 11,628,276	$ 839,747
2005	$ 90,759,236	$ 15,430,138	$ 907,592	$ 14,522,546	$ 1,041,534
2006	$ 94,534,372	$ 8,828,431	$ 945,344	$ 7,883,087	$ 595,919
2007	$ 93,067,358	$ 12,930,175	$ 930,674	$ 11,999,501	$ 872,787
2008	$ 92,055,833	$ (2,573,103)	$ 920,558	$ (3,493,661)	$ -
2009	$ 81,514,748	$ 6,678,044	$ 815,147	$ 5,862,897	$ 450,768
2010	$ 82,726,367	$ 6,857,101	$ 827,264	$ 6,029,837	$ 462,854
2011	$ 87,491,098	$ 724,176	$ 874,911	$ (150,735)	$ 48,882
2012	$ 93,899,840	$ 5,064,470	$ 938,998	$ 4,125,472	$ 341,852
2013	$ 98,936,798	$ 7,206,460	$ 989,368	$ 6,217,092	$ 486,436
2014	$ 119,400,822	$ 19,673,960	$ 1,194,008	$ 18,479,952	$ 1,327,992
2015	$ 115,986,086	$ 3,261,066	$ 1,159,861	$ 2,101,205	$ 220,122
2016	$ 132,545,587	$ 13,314,539	$ 1,325,456	$ 11,989,083	$ 898,731
2017	$ 138,480,136	$ 10,937,826	$ 1,384,801	$ 9,553,024	$ 738,303
2018	$ 158,586,934	$ 1,170,432	$ 1,585,869	$ (415,437)	$ 79,004
Totals	**$ 2,409,443,826**	**$ 175,625,334**	**$ 24,094,438**	**$ 151,530,895**	**$ 11,854,710**

Nevada Super Bowl Historic Write and Win					
Year	Super Bowl Write	Super Bowl Win Amounts	0.25% Fee (Super Bowl Write X 0.25% Fee)	Win less 0.25% Fee (Super Bowl Win Amount less 0.25% Fee)	Estimated Percentage Fee Collections from Super Bowl Win (Super Bowl Win Amount X 6.75%)
1991	$ 40,080,409	$ 3,512,241	$ 100,201	$ 3,412,040	$ 237,076
1992	$ 50,334,277	$ 301,280	$ 125,836	$ 175,444	$ 20,336
1993	$ 56,811,405	$ 7,174,869	$ 142,029	$ 7,032,840	$ 484,304
1994	$ 54,483,221	$ 7,481,541	$ 136,208	$ 7,345,333	$ 505,004
1995	$ 69,591,818	$ (396,674)	$ 173,980	$ (570,654)	$ -
1996	$ 70,907,801	$ 7,126,145	$ 177,270	$ 6,948,875	$ 481,015
1997	$ 70,853,211	$ 2,265,701	$ 177,133	$ 2,088,568	$ 152,935
1998	$ 77,253,246	$ 472,033	$ 193,133	$ 278,900	$ 31,862
1999	$ 75,986,520	$ 2,906,601	$ 189,966	$ 2,716,635	$ 196,196
2000	$ 71,046,751	$ 4,237,978	$ 177,617	$ 4,060,361	$ 286,064
2001	$ 67,661,425	$ 11,002,636	$ 169,154	$ 10,833,482	$ 742,678
2002	$ 71,513,304	$ 2,331,607	$ 178,783	$ 2,152,824	$ 157,383
2003	$ 71,693,032	$ 5,264,963	$ 179,233	$ 5,085,730	$ 355,385
2004	$ 81,242,191	$ 12,440,698	$ 203,105	$ 12,237,593	$ 839,747
2005	$ 90,759,236	$ 15,430,138	$ 226,898	$ 15,203,240	$ 1,041,534
2006	$ 94,534,372	$ 8,828,431	$ 236,336	$ 8,592,095	$ 595,919
2007	$ 93,067,358	$ 12,930,175	$ 232,668	$ 12,697,507	$ 872,787
2008	$ 92,055,833	$ (2,573,103)	$ 230,140	$ (2,803,243)	$ -
2009	$ 81,514,748	$ 6,678,044	$ 203,787	$ 6,474,257	$ 450,768
2010	$ 82,726,367	$ 6,857,101	$ 206,816	$ 6,650,285	$ 462,854
2011	$ 87,491,098	$ 724,176	$ 218,728	$ 505,448	$ 48,882
2012	$ 93,899,840	$ 5,064,470	$ 234,750	$ 4,829,720	$ 341,852
2013	$ 98,936,798	$ 7,206,460	$ 247,342	$ 6,959,118	$ 486,436
2014	$ 119,400,822	$ 19,673,960	$ 298,502	$ 19,375,458	$ 1,327,992
2015	$ 115,986,086	$ 3,261,066	$ 289,965	$ 2,971,101	$ 220,122
2016	$ 132,545,587	$ 13,314,539	$ 331,364	$ 12,983,175	$ 898,731
2017	$ 138,480,136	$ 10,937,826	$ 346,200	$ 10,591,625	$ 738,303
2018	$ 158,586,934	$ 1,170,432	$ 396,467	$ 773,965	$ 79,004
Totals	$ 2,409,443,826	$ 175,625,334	$ 6,023,610	$ 169,601,724	$ 11,854,710

If sports leagues are looking to monetize sports betting, there is nothing that prevents them from contracting with sports book operators with regard to fee sharing arrangements. For example, it was recently announced that MGM and the NBA have entered into an agreement.[34] Just last week, William Hill, a major U.S. sports book operator, announced a sponsorship agreement with the Las Vegas Golden Knights.[35] As regulators, we are more than willing to assist sports leagues (and have already) with regard to protecting the integrity of betting on their sports.

Third, combatting the illegal operators is and will be an ongoing reality, regardless of any federal legislation. Illegal bookmakers don't worry about complying with regulations, paying taxes or establishing reserve accounts. While some illegal operators may pay fees, perhaps pay taxes and may even follow some regulations, what we know for sure is that many illegal operators serve their customers with savvy and attractive websites, which provide a

[34] NBA signs deal with MGM to be gaming partner, David Purdum and Darren Rovell, ESPN.com, July 31, 2018.
[35] William Hill, Golden Knights for sports betting partnership, Todd Prince, reviewjournal.com, September 18, 2018.

seamless transaction experience and make betting easy for their customers. Illegal bookmakers don't have the same regulatory infrastructure costs, can offer more betting options, are more convenient, provide payment plans and extend credit. This is all done without regulatory oversight, patron dispute processes, protection of patron funds, or responsible gambling messaging.

As we have for the past 60 years, in order to effectively combat illegal operators, the Nevada Gaming Control Board will continue to enforce the law with regard to gaming while developing and exploring new enforcement strategies. The Board's Enforcement Division currently works with and will continue to assist other jurisdictions. We look forward to fostering interstate agreements that will allow for coordinated action among jurisdictions offering sports betting against illegal bookmaking, illegal gambling activities, unlawful sports bribery and any unsuitable and unlawful associations. The Board would welcome strong support from federal-level enforcement agencies, with their unique police powers to assist in rooting out and dismantling illegal gaming operators. The best way to eradicate illegal activities is through coordinated and productive law enforcement efforts.

Fourth, sports wagering technology must demonstrate and maintain the highest standards of integrity, accountability, and regulatory compliance. Nevada has created just such an environment in which to offer legalized sports betting. In terms or modern technological developments, what many new sports wagering jurisdictions take for granted, Nevada took almost two decades to develop. In 2001, Nevada allowed wagering from home on an intranet system. Automated telephone account wagering began in 2002. By 2003, both remote kiosks and remote race wagering account terminals were placed in both non-restricted and restricted locations. Wagering kiosks were introduced in 2004. A few years later, in 2006 intra-casino wireless sports wagering was allowed and in 2010, mobile smartphone wagers on an intra-state basis made its way to Nevada.

Fifth, new jurisdictions should create a mechanism to address the challenges that arise for those who are unable to gamble responsibly. Providing resources for those who don't know how to or can't quit gambling is important to help protect and maintain the credibility of the sports betting activities.

In Nevada, sports betting will continue to evolve for the foreseeable future. Just look at the betting on the Golden Knights. It is anticipated that the betting on the Raiders will drive revenues higher as well. As my predecessor once said, "We have been in this business for decades and haven't had any problems . . . . What we have here is a regulatory process specifically to monitor what happens on both sides of the counter. This is all we do, and we're good at it." I have to concur.

Geofencing

Geolocation is process by which a user's location can be identified through use of their mobile device. Geolocation typically calls upon multiple resources such as GPS, WiFi, or mobile cell tower triangulation through the use of radio-frequency (RF) technology. In addition to RF triangulation, geofencing algorithms may be augmented by the use of IP geolocation data. However, IP geolocation information is readily spoofable and cannot be relied upon alone to determine the location of a mobile device. Each mobile operating system provider, such as Android, iOS, and Windows, has implemented a location services function that applications can call on to determine the real-time location of a mobile device.

Geolocation companies, also known as geolocation service providers use proprietary algorithms to implement a geofence. Geolocation service providers may consider variables such as mobile location service information, GPS information, IP geolocation information, as well as the physical location provided by the mobile device user at the time of registration when determining the degree of confidence that the mobile device is located within the geofenced region. This region could be either at the jurisdictional level, such as the State of Nevada, or a more defined area such as the gaming floor of a licensee. Because location data provided by the mobile device is critical to determining the location of the device, a mobile sports wagering application implements several checks to ensure the device is not "spoofing" the location data.

To make use of location services, a mobile patron must grant permission for the location services function on their mobile device to monitor their location. Mobile patrons who fail to grant permission are prohibited from wagering. Once permission is granted for the location services function, the mobile device regularly updates the mobile operating system provider with the GPS coordinates of the device along with the unique identifier of each visible cell tower and WiFi access point the device detects. By aggregating and analyzing this information, the mobile operating system provider offering the location service is able to determine the location of the tower or WiFi access point.

Subsequently, when an application wishes to know the location of the mobile device, it will provide the mobile operating system provider with the unique identifier and signal strength for each cell tower and WiFi access point visible to the device. Using RF triangulation techniques, the mobile operating system provider will use this information to determine with a high degree of accuracy the precise location of the mobile device.

The ability to make use of RF triangulation is dependent upon the availability of WiFi access points and mobile cell towers. The greater number of access points and cell towers a mobile device can see, the higher the degree of confidence in the location information. Therefore, it is difficult to determine a device's location in sparsely populated areas. To ensure that wagers are only placed in an authorized region, an operator may implement a buffer zone between the border and where they can accurately determine a device's location. Additionally, the closer the proximity to a defined boundary a mobile device is located, the more often a geolocation check may be required to be performed.

In Nevada, a geofence can vary in scale. For example, there is a statewide geofence consisting of a set of coordinates that define the "shape" of the state. The user's geolocation is compared to the geofence to determine if they are inside the border or not. The statewide geofence facilitates mobile sports betting throughout the state.

Additionally, a geofence may be defined at the property level. Geofencing in this manner may use networked hardware to define borders in addition to a set of coordinates. It can be used to restrict the user to using mobile applications only in authorized areas. This is key in Nevada for products such as mobile gaming (which is only allowed within the bounds of a licensed gaming establishment) or products that require a patron to appear in person, like signing up for an account at a sportsbook.

Real Time Data Sharing

In terms of data delivery, "live streaming" is the industry standard.[36] While consumers generally think the data feed is instantaneous, there is typically a 10-60 second delay in streaming.[37] "Real-time, on the other hand, has a lag of less than a half-second."[38]

Official Data Source

Everyone has a vested interest in ensuring that the data used in sports betting is accurate, though there is no general agreement as to what that process or framework should be. A few states[39] have discussed requiring the use of "official data." Nevertheless, not one jurisdiction in the US has passed any legislation concerning sports data, what constitutes "official data", how data could or should be obtained for legal wagering purposes or how that data could or should be used.

What is known is that in terms of historical statistics and players names, the Eighth Circuit held that because the information used by a fantasy baseball game company was in the public domain, the First Amendment trumped any state law rights and the data could be utilized without a license.[40]

The American Gaming Association has advocated that data contracts should be between sporting bodies and gaming companies.[41]

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[36] According to Stefan Birrer, CEO of Phenix. Joe Lemire, Media tech in sports betting, part two: streaming and data rights, www.sporttechie.com/sprits-gambling-ott-streaming-technology-data-rights/, June 6, 2018.

[37] Joe Lemire, Media tech in sports betting, part two: streaming and data rights, www.sporttechie.com/sprits-gambling-ott-streaming-technology-data-rights/, June 6, 2018.

[38] Joe Lemire, Media tech in sports betting, part two: streaming and data rights, www.sporttechie.com/sprits-gambling-ott-streaming-technology-data-rights/, June 6, 2018.

[39] New York and Missouri. Joe Lemire, New U.S. sports betting markets have started a data war, https://www.sporttechie.com/sports-betting-official-data-rights-mlb-nfl-nba-pga-nhl-ncaa/, June 29, 2018.

[40] C.B.C. Distribution and Marketing, Inc. v Major League Baseball Advances Media, L.P., et al., 84 U.S.P.Q.2d, 1328 (8th Cir.2007).

[41] Joe Lemire, New U.S. sports betting markets have started a data war, https://www.sporttechie.com/sports-betting-official-data-rights-mlb-nfl-nba-pga-nhl-ncaa/, June 29, 2018.

As far as the leagues are concerned, the NBA, MLB and the PGA are united in requiring betting markets to use "official data".[42]

[42]Dustin Gouker, New "US sports integrity" website pushes leagues vision of sports betting data, https://www.legalsportsreport.com/19730/sports-betting-integrity-and-data-rights/, April 10, 2018; Joe Lemire, New U.S. sports betting markets have started a data war, https://www.sporttechie.com/sports-betting-official-data-rights-mlb-nfl-nba-pga-nhl-ncaa/, June 29, 2018.

July 23, 2018
Media Statement on Behalf of U.S. State Gaming Regulators Forum

TWO MORE STATES ADD SUPPORT TO THE STATEMENT PREVIOUSLY ISSUED BY STATE GAMBLING REGULATORS

On May 22, 2018, the gambling regulators from four states published the following statement. Today, the statement is now amended to include two additional jurisdictions – New Jersey and Mississippi. New Jersey launched legalized sports betting last month, while Mississippi is expected to see sports betting at its casinos in a few days. The below statement remains in the original form, but with the addition of David Rebuck, Director of the New Jersey Division of Gaming Enforcement, and Allen Godfrey, Executive Director of the Mississippi Gaming Commission.

STATE GAMBLING REGULATORS EQUIPPED AND READY TO TAKE CHARGE ON LEGAL SPORTS BETTING INDUSTRY

This statement is issued by gaming regulatory leaders from four state gambling jurisdictions in response to the recent U.S. Supreme Court ruling to confirm and assert that states and tribal gaming regulatory agencies have the capacity, resources, and ability to oversee the regulation of legalized sports betting. Sports betting in Nevada has already been regulated with integrity and success, and gaming jurisdictions across the United States, including tribal jurisdictions, have demonstrated their ability to oversee gaming of all sorts while adhering to the highest standards.

Since the opinion in *Murphy v. National Collegiate Athletic Association* was released last week, there has been an overwhelming response by the various interested parties, including states, leagues, federal congressional representatives, responsible gambling organizations, sports betting consumers, and gambling industry operators and affiliates. As we expect the dialogue to continue with substantial actions to be undertaken rapidly, it is important to assert and confirm our support for a rational, state-based and tribal government approach to an expansion of legal, regulated sports wagering in the United States.

For nearly two years, leading regulators from key state commercial gambling jurisdictions have been meeting under the auspices of the University of Nevada, Las Vegas's International Center for Gaming Regulation (ICGR), to dialogue about current issues affecting the gambling industry and to further best regulatory practices.

As experienced gaming regulators who are part of the U.S. State Gaming Regulators Forum, we would encourage jurisdictions to establish and implement regulatory models that are not only adaptive and successful, but that remain flexible enough to be sturdy, yet encourage innovation.

This group looks forward to continuing to collaborate together while serving as a resource as the various states and tribal governments begin implementing sports betting in their jurisdictions. Nevada, having both the depth and experience with legalized, regulated sports wagering, serves as a leader to help guide us and other jurisdictions through this historical time.

As the regulators in different gambling jurisdictions, we have jointly concluded that the following simple guidelines will help with an initial approach to sports betting regulation. While we cannot personally

commit our respective jurisdictions to any specific position or practice, we support all of these positions individually, will support them throughout our regulatory agencies, and will help provide guidance to other jurisdictions as to how these guidelines can be implemented.

1. Coordinated action among jurisdictions offering sports betting against illegal bookmaking, illegal gambling activities, and any unsuitable and unlawful associations, along with strong support from federal-level enforcement agencies, is the best way to eradicate illegal activities.
2. Another critical element of legalized sports betting is the establishment of structures and processes that will ensure a high level of integrity in all sports. Therefore, all of our jurisdictions and others that legalize and regulate sports wagering should aim to share real-time betting information, in an effort to detect, prevent, and eliminate match fixing.
3. Measures for responsible gambling in sports betting are important to help protect and maintain the credibility of the activity.
4. The history of legalized sports betting in both Nevada and the United Kingdom indicates that it is a very low-margin business compared to other forms of gambling. Reasonable tax rates and fees are essential for legal sports betting to be competitive until illegal providers can be eradicated.
5. Additional fees, including the so-called "integrity fee," increase the costs of legal sports betting, siphon much needed tax revenues away from state coffers, and increase state regulatory burdens.

We encourage state legislatures that elect to legalize sports betting to consider these guidelines in order to promote a coherent regulatory environment.

We, as members of the U.S. State Gaming Regulators Forum, will look to immediately develop a Memorandum of Understanding between our jurisdictions to acknowledge support for implementation of these principles. We welcome other jurisdictions' regulatory bodies sharing these values to join with us.

Becky Harris, Chairwoman
Nevada Gaming Control Board

David Rebuck, Director
New Jersey Division of Gaming Enforcement

Allen Godfrey, Executive Director
Mississippi Gaming Commission

Stephen P. Crosby, Chairman
Massachusetts Gaming Commission

Ronnie Jones, Chairman
Louisiana Gaming Control Board

Rick Kalm, Executive Director
Michigan Gaming Control Board

For further media inquiries, contact Jennifer Roberts, Associate Director of UNLV International Center for Gaming Regulation, at jennifer.roberts@unlv.edu or 702-895-2653.

[PRINT] **ESPN.com:** Chalk [Print without images]

Tuesday, July 31, 2018
Updated: August 9, 11:33 AM ET

NBA signs deal with MGM to be gaming partner

By David Purdum and Darren Rovell
ESPN

The NBA has become the first major U.S. sports league to partner with a sportsbook operator as legal wagering begins to expand into new states.

On Tuesday, commissioner Adam Silver announced that the league struck a deal that makes MGM Resorts the exclusive official gaming partner of the NBA and WNBA. MGM also receives the rights to use league highlights, logos and a direct data feed from the NBA that will be used to help fuel the company's growing sports betting footprint.

Industry sources pegged the deal to be for three years and at least $25 million.

Silver said teaming up with the NBA will give MGM an edge over its competitors and produce a superior experience for customers.

"Those operators who create the best experience for consumers that have official data, that have the official imprimatur of our league and other leagues as well, are going to be those that win in the hearts and minds of consumers," Silver said during an afternoon news conference in New York City to announce the partnership.

Jim Murren, CEO of MGM, sitting side by side with Silver, called the deal "historic."

"The foremost mission is to maintain and preserve the integrity of the game, the fan experience for the NBA fans, [and] in fact help catapult further the global presence of the NBA," Murren said. "As a global entertainment company, I feel MGM has an opportunity to partner with the NBA to do that."

MGM casinos will be able use league and team logos on oddsboards at sportsbooks, something not currently done in Las Vegas. NBA logos and league highlights also will appear on an MGM sports betting app, which will be available to states that approve online sports betting. As of now, only Nevada offers legal mobile sports betting, but sports betting operators in New Jersey are expected to launch mobile apps at some point in August. Murren said the MGM sportsbook at the Borgata in Atlantic City would start offering mobile sports betting at the end of the week, but no official date has been announced.

The partnership represents a dramatic shift in how American sports leagues look at betting. For decades, the leagues vehemently opposed the betting on their games and fought for six years to stop New Jersey's efforts to legalize sports wagering, before ultimately losing in the U.S. Supreme Court.

The NBA's pioneering move comes less than three months after the Supreme Court struck down the Professional and Amateur Sports Protection Act of 1992, the federal prohibition that restricted full-scale legal sports betting to only Nevada. The ruling opened a path for states to decide whether to legalize sports betting. Delaware and New Jersey began accepting bets in June, and some Mississippi casinos will open their sportsbooks Wednesday.

The NBA, along with Major League Baseball and PGA Tour, has been lobbying in states looking to legalize sports betting, asking that leagues receive a fee, sometimes called an "integrity fee," based on the amount wagered on their respective games and events. States, to this point, have not given into the sports leagues' requests.

The NBA believes that gaming partners should compensate the league for the commercial value of its intellectual property, and sources said that MGM did that in this deal. Silver did not give specifics but denied that any of the proceeds were based on the amount wagered on the NBA, like the proposed state fees would be.

"I think we're still having our discussions with our states about so-called integrity fees based on (betting) handles," Silver said. "[T]o me, there's many different ways to skin the cat, so to speak; and we decided here, rather than sort of re-litigating the integrity fee, which is still being hotly discussed state by state, let's find an approach which is unique to us and where we both feel that we're being fairly treated."

MGM operates in Michigan, Mississippi, Nevada, New Jersey and soon in Massachusetts and New York and has been aggressive in the newly expanded sports betting landscape.

On Monday, MGM and GVC Holdings announced a $100 million joint venture to create an online gaming experience and also formed a partnership with Boyd Gaming.

The American Gaming Association, which represents the casino industry, applauded the NBA-MGM deal.

"Sports betting deals should be done through contracts -- not statutory obligations," Sara Slane, senior vice president of the AGA said in a statement. "Today's announcement highlights the symbiotic partnership between casino gaming companies and sports entities. We anticipate this is the first of many to come."

The most lucrative opportunities figure to come in three to five years when it is projected that more than 20 states will have legalized sports gambling. In the meantime, the NBA and MGM are expected to promote the direct data feed relationship as a way to enhance the live betting product. Already in the United Kingdom, where sports wagering has been legal for decades, more money is bet during a soccer match than is bet on the match prior to kickoff. The U.S. sports betting market also is expected to gravitate toward more in-game wagering in the future, and the speed and reliability of data will be key.

"[Now], we have tremendous data analytics information from the NBA -- and that will determine who wins and loses in this arena, the sports betting arena, in the United States," Murren said. "And I think MGM's going to win."

Basketball is the second-most popular sport to bet on in the U.S., behind only football. Nearly $1.5 billion was bet on basketball at Nevada sportsbooks in 2017. Nevada Gaming Control does not separate the NBA and college basketball on its revenue reports. Sportsbook managers say the NBA accounts for 40-50 percent of the amount bet on basketball.

MGM RESORTS INTERNATIONAL™

NBA

NATIONAL BASKETBALL ASSOCIATION PARTNERSHIP

July 2018

KEY TRANSACTION TERMS

- Multi-year partnership
- The NBA's first official gaming partner and partnership with a U.S. sports betting operator
- MGM Resorts will use official NBA and WNBA data
- MGM Resorts will use NBA and WNBA branding across land-based and digital sports betting offerings throughout the U.S.
- MGM Resorts and the NBA will collaborate to create a series of integrations across NBA platforms, including a special digital content series
- Cross-promotion on each other's platforms

WHAT THIS PARTNERSHIP MEANS FOR MGM RESORTS

- ✓ Designates MGM Resorts as the Official Gaming Partner of the NBA and WNBA
- ✓ Reflects the strong relationship that MGM Resorts and the NBA have cultivated over the past several years
- ✓ Places the MGM brand front and center to the NBA's significant and growing fan base giving MGM Resorts the opportunity to emulate similar successful sports betting partnerships
- ✓ Enables integration into NBA digital platforms
- ✓ Provides access to NBA and WNBA official data to ensure consumers are protected
- ✓ Reinforces commitment to responsible gaming and protecting NBA game integrity

ANOTHER LANDMARK MILESTONE IN SPORTS FOR MGM RESORTS

- ✓ 2009 – MGM Grand Garden Arena hosts UFC 100, which set the record at the time for the highest grossing UFC pay-per-view event with 1.60 million buys[1]
- ✓ 2013 - MGM Grand Garden Arena hosts the Pac 12 Men's Basketball Championship for the first time[2]
- ✓ 2015 - MGM Grand Garden Arena hosts the boxing match with the highest live gate in history (Mayweather vs. Pacquiao)
- ✓ 2016 - MGM-AEG owned T-Mobile Arena, the home of the NHL's Western Conference Champion Vegas Golden Knights opens in 2016
- ✓ 2018 – Led by the emergence of mobile betting, Nevada sports books achieve a record Super Bowl handle of $158 million (MGM introduced mobile betting in 2016)
- ✓ 2018 – With #1 Draft Pick A'ja Wilson, the WNBA's Las Vegas Aces begin their debut season
- ✓ 2018 – MGM Resorts announces U.S. sports betting and gaming joint venture with GVC Holdings

(1) Subsequently broken by UFC 202 with 1.65 million buys – held at T-Mobile Arena.
(2) MGM will host both Men's and Women's tournaments in 2019.

LEGAL DISCLAIMERS

FORWARD-LOOKING STATEMENTS

Statements in this presentation that are not historical facts are forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995 and involve risks and/or uncertainties, including those described in MGM Resorts International ("MGM") public filings with the Securities and Exchange Commission. MGM has based forward-looking statements on management's current expectations and assumptions and not on historical facts. Examples of these statements include, but are not limited to, MGM's expectations regarding the benefits of the partnership. These forward-looking statements involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from those indicated in such forward-looking statements include effects of economic conditions and market conditions in the markets in which MGM operates and competition with other destination travel locations throughout the United States and the world, the design, timing and costs of expansion projects, risks relating to international operations, permits, licenses, financings, approvals and other contingencies in connection with growth in new or existing jurisdictions and additional risks and uncertainties described in MGM's Form 10-K, Form 10-Q and Form 8-K reports (including all amendments to those reports). In providing forward-looking statements, MGM is not undertaking any duty or obligation to update these statements publicly as a result of new information, future events or otherwise, except as required by law. If MGM updates one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those other forward-looking statements.

https://www.reviewjournal.com/sports/golden-knights-nhl/william-hill-golden-knights-form-sports-betting-partnership/

William Hill, Golden Knights form sports betting partnership

William Hill US has signed a partnership with the Vegas Golden Knights in the first deal between a sports book operator and a National Hockey League team.

The agreement sets a precedent for other NHL teams and sets up Las Vegas-based William Hill US to strike more partnerships as states legalize sports wagering, industry analysts said.

William Hill and the Knights will cross-promote each other through various media, advertising and promotional platforms, the companies said in a joint statement Tuesday. The financial terms were not disclosed.

The partnership will allow William Hill to advertise on the T-Mobile Arena dasher board and in other areas visible on TV. William Hill also gets the right to display leaguewide odds on the large videoboard above the T-Mobile rink during intermission. The two companies will also collaborate on away game watch parties.

No further details were provided.

"This partnership between a major professional team and a sports book operator is a historic, landmark agreement, and we are delighted to be leading the way with William Hill in this space," said Knights President Kerry Bubolz.

The Knights and William Hill will began rolling out elements of the deal as soon as Monday's exhibition game against the Colorado Avalanche. Everything is expected to be

in place when the Knights open their 2018-19 regular season Oct. 4 at T-Mobile against the Philadelphia Flyers.

William Hill US CEO Joe Asher told the Las Vegas Review-Journal in late August that he has been criss-crossing the U.S. over the past few months to negotiate sports betting deals, including partnerships with professional teams.

"We are proud of the fact that this is the first sponsorship agreement between a sports book and an NHL team in the country," he said in Tuesday's statement.

States entering game

The Supreme Court's decision in May to overturn a ban on sports betting in most states has opened the gates for gaming and sports betting companies to sign partnership deals with professional leagues and teams.

MGM Resorts International became the first gaming company to team up with a professional league in July, when it signed a partnership with the National Basketball Association. No other leagues have followed yet in its footsteps.

Partnerships with teams are only permitted in states where sports betting is currently legal. It is currently permitted in Nevada, New Jersey, Mississippi, West Virginia and Delaware, and William Hill operates sports books in all five states. Mississippi, West Virginia and Delaware do not have any professional teams, though they do have popular college football teams.

William Hill is already the dominant sports betting operator in Nevada with 108 books. Its partnership with the Knights may not increase its local recognition much, said John DeCree, an analyst at Union Gaming in Las Vegas. However, it will boost the company's exposure to out-of-state visitors as well among NHL team executives, he said.

"It certainly gets the rest of the NHL thinking about deals, and it puts William Hill in a good position as a first mover," said DeCree.

William Hill, a subsidiary of UK-based William Hill PLC, plans to offer wagering in Rhode Island and Pennsylvania later this year.

GAMING CONTROL BOARD
SUSPICIOUS WAGER REPORT
NGC REGULATION 22.121 AND 5A.160

DATE OF INCIDENT:

PART I - CASINO REPORTING INFORMATION

1. CASINO NAME	2. LICENSEE/LOCATION #

PART II - SUSPECT INFORMATION (PERSON INVOLVED IN SUSPICIOUS WAGERING - IF AVAILABLE)

3. INDIVIDUAL'S LAST NAME:	4. FIRST NAME:	5. MIDDLE INITIAL:

6. DESCRIBE IDENTIFICATION CREDENTIAL:

A. ☐ DRIVER'S LICENSE/STATE I.D. B. ☐ PASSPORT

C. ☐ OTHER _____

D. NUMBER: _____ E. ISSUING AUTHORITY: _____

F. SOCIAL SECURITY NUMBER: _____ G. DATE OF BIRTH: _____

PART III - PREPARER INFORMATION

7. LAST NAME	8. FIRST NAME	9. MIDDLE INITIAL

10. TITLE/POSITION:	11. WORK PHONE NUMBER (INCLUDE AREA CODE):	12. WORK CARD NUMBER/ISSUING AGENCY:

PART IV - SUSPICIOUS WAGERING INFORMATION

13. EXPLANATION/DESCRIPTION OF KNOWN OR SUSPECTED VIOLATION OF NGC REGULATION 22.121 AND 5A.160. PROVIDE A CLEAR AND CONCISE ACCOUNT OF THE POSSIBLE VIOLATION OF NGC REGULATION 22.121 AND 5A.160. DESCRIBE IN DETAIL WHAT IS UNUSUAL, IRREGULAR OR SUSPICIOUS ABOUT THE ACTIVITY. THIS SECTION OF THE REPORT IS **CRITICAL.** THE CARE WITH WHICH IT IS WRITTEN MAY MAKE THE DIFFERENCE IN WHETHER OR NOT THE DESCRIBED SUSPICIOUS CONDUCT IS CLEARLY UNDERSTOOD.

_____ _____

Signature Date

This report shall be filed no later than 7 calendar days after the initial detection by the licensee of facts that may constitute a basis for filing such a report. If no suspect was identified on the date of the detection of the incident requiring the filing, a licensee may delay filing a report for an additional 7 calendar days to identify a suspect. In no case shall reporting be delayed more than 14 calendar days after the date of initial detection of a reportable transaction. In situations involving violations that require immediate attention, the licensee shall immediately notify, by telephone, the Board in addition to timely filing a report.

Submit original form to: GAMING CONTROL BOARD, ENFORCEMENT DIVISION, 555 EAST WASHINGTON AVENUE, SUITE 2600, LAS VEGAS, NEVADA 89101.

Suspicious Activity Report

July 2003
Previous editions will not be accepted after December 31, 2003

ALWAYS COMPLETE ENTIRE REPORT (see instructions)

1

FRB:	FR 2230	OMB No. 7100-0212
FDIC:	6710/06	OMB No. 3064-0077
OCC:	8010-9,8010-1	OMB No. 1557-0180
OTS:	1601	OMB No. 1550-0003
NCUA:	2362	OMB No. 3133-0094
TREASURY:	TD F 90-22.47	OMB No. 1506-0001

1 Check box below only if correcting a prior report.
☐ Corrects Prior Report (see instruction #3 under "How to Make a Report")

Part I Reporting Financial Institution Information

2 Name of Financial Institution

3 EIN

4 Address of Financial Institution

5 Primary Federal Regulator
a ☐ Federal Reserve d ☐ OCC
b ☐ FDIC e ☐ OTS
c ☐ NCUA

6 City

7 State

8 Zip Code

9 Address of Branch Office(s) where activity occurred ☐ Multiple Branches (include information in narrative, Part V)

10 City

11 State

12 Zip Code

13 If institution closed, date closed
___ / ___ / _____
MM DD YYYY

14 Account number(s) affected, if any
a _____ Closed? ☐ Yes ☐ No
b _____ Closed? ☐ Yes ☐ No
c _____ Closed? ☐ Yes ☐ No
d _____ Closed? ☐ Yes ☐ No

Part II Suspect Information

☐ Suspect Information Unavailable

15 Last Name or Name of Entity

16 First Name

17 Middle

18 Address

19 SSN, EIN or TIN

20 City

21 State

22 Zip Code

23 Country

24 Phone Number - Residence (include area code)
( )

25 Phone Number - Work (include area code)
( )

26 Occupation/Type of Business

27 Date of Birth
_____ / _____ / _____
MM DD YYYY

28 Admission/Confession?
a ☐ Yes b ☐ No

29 Forms of Identification for Suspect:
a ☐ Driver's License/State ID b ☐ Passport c ☐ Alien Registration d ☐ Other _____
Number _____ Issuing Authority _____

30 Relationship to Financial Institution:
a ☐ Accountant d ☐ Attorney g ☐ Customer j ☐ Officer
b ☐ Agent e ☐ Borrower h ☐ Director k ☐ Shareholder
c ☐ Appraiser f ☐ Broker i ☐ Employee l ☐ Other _____

31 Is the relationship an insider relationship? a ☐ Yes b ☐ No
If Yes specify: c ☐ Still employed at financial institution e ☐ Terminated
d ☐ Suspended f ☐ Resigned

32 Date of Suspension, Termination, Resignation
_____ / _____ / _____
MM DD YYYY

Part III Suspicious Activity Information

33 Date or date range of suspicious activity
From ____ / ____ / _____ To ____ / ____ / _____
MM DD YYYY MM DD YYYY

34 Total dollar amount involved in known or suspicious activity
$, , , .00

35 Summary characterization of suspicious activity:

- a ☐ Bank Secrecy Act/Structuring/ Money Laundering
- b ☐ Bribery/Gratuity
- c ☐ Check Fraud
- d ☐ Check Kiting
- e ☐ Commercial Loan Fraud
- f ☐ Computer Intrusion
- g ☐ Consumer Loan Fraud
- h ☐ Counterfeit Check
- i ☐ Counterfeit Credit/Debit Card
- j ☐ Counterfeit Instrument (other)
- k ☐ Credit Card Fraud
- l ☐ Debit Card Fraud
- m ☐ Defalcation/Embezzlement
- n ☐ False Statement
- o ☐ Misuse of Position or Self Dealing
- p ☐ Mortgage Loan Fraud
- q ☐ Mysterious Disappearance
- r ☐ Wire Transfer Fraud
- t ☐ Terrorist Financing
- u ☐ Identity Theft
- s ☐ Other _____ (type of activity)

36 Amount of loss prior to recovery (if applicable)
$, , , .00

37 Dollar amount of recovery (if applicable)
$, , , .00

38 Has the suspicious activity had a material impact on, or otherwise affected, the financial soundness of the institution?
a ☐ Yes b ☐ No

39 Has the institution's bonding company been notified?
a ☐ Yes b ☐ No

40 Has any law enforcement agency already been advised by telephone, written communication, or otherwise?

- a ☐ DEA
- b ☐ FBI
- c ☐ IRS
- d ☐ Postal Inspection
- e ☐ Secret Service
- f ☐ U.S. Customs
- g ☐ Other Federal
- h ☐ State
- i ☐ Local
- j ☐ Agency Name (for g, h or i) _____

41 Name of person(s) contacted at Law Enforcement Agency

42 Phone Number (include area code)
( )

43 Name of person(s) contacted at Law Enforcement Agency

44 Phone Number (include area code)
( )

Part IV Contact for Assistance

45 Last Name

46 First Name

47 Middle

48 Title/Occupation

49 Phone Number (include area code)
( )

50 Date Prepared
____ / ____ / _____
MM DD YYYY

51 Agency (if not filed by financial institution)

Part V Suspicious Activity Information Explanation/Description

Explanation/description of known or suspected violation of law or suspicious activity.

This section of the report is **critical**. The care with which it is written may make the difference in whether or not the described conduct and its possible criminal nature are clearly understood. Provide below a chronological and **complete** account of the possible violation of law, including what is unusual, irregular or suspicious about the transaction, using the following checklist as you prepare your account. **If necessary, continue the narrative on a duplicate of this page.**

a **Describe** supporting documentation and retain for 5 years.
b **Explain** who benefited, financially or otherwise, from the transaction, how much, and how.
c **Retain** any confession, admission, or explanation of the transaction provided by the suspect and indicate to whom and when it was given.
d **Retain** any confession, admission, or explanation of the transaction provided by any other person and indicate to whom and when it was given.
e **Retain** any evidence of cover-up or evidence of an attempt to deceive federal or state examiners or others.
f **Indicate** where the possible violation took place (e.g., main office, branch, other).
g **Indicate** whether the possible violation is an isolated incident or relates to other transactions.
h **Indicate** whether there is any related litigation; if so, specify.
i **Recommend** any further investigation that might assist law enforcement authorities.
j **Indicate** whether any information has been excluded from this report; if so, why?
k If you are correcting a previously filed report, describe the changes that are being made.

For Bank Secrecy Act/Structuring/Money Laundering reports, include the following additional information:

l **Indicate** whether currency and/or monetary instruments were involved. If so, provide the amount and/or description of the instrument (for example, bank draft, letter of credit, domestic or international money order, stocks, bonds, traveler's checks, wire transfers sent or received, cash, etc.).
m **Indicate** any account number that may be involved or affected.

Tips on SAR Form preparation and filing are available in the SAR Activity Review at www.fincen.gov/pub_reports.html

Suspicious Activity Report
Instructions

Safe Harbor Federal law (31 U.S.C. 5318(g)(3)) provides complete protection from civil liability for all reports of suspicious transactions made to appropriate authorities, including supporting documentation, regardless of whether such reports are filed pursuant to this report's instructions or are filed on a voluntary basis. Specifically, the law provides that a financial institution, and its directors, officers, employees and agents, that make a disclosure of any possible violation of law or regulation, including in connection with the preparation of suspicious activity reports, "shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to provide notice of such disclosure to the person who is the subject of such disclosure or any other person identified in the disclosure".
Notification Prohibited Federal law (31 U.S.C. 5318(g)(2)) requires that a financial institution, and its directors, officers, employees and agents who, voluntarily or by means of a suspicious activity report, report suspected or known criminal violations or suspicious activities may not notify any person involved in the transaction that the transaction has been reported.

In situations involving violations requiring immediate attention, such as when a reportable violation is ongoing, the financial institution shall immediately notify, by telephone, appropriate law enforcement and financial institution supervisory authorities in addition to filing a timely suspicious activity report.

WHEN TO MAKE A REPORT:

1. All financial institutions operating in the United States, including insured banks, savings associations, savings association service corporations, credit unions, bank holding companies, nonbank subsidiaries of bank holding companies, Edge and Agreement corporations, and U.S. branches and agencies of foreign banks, are required to make this report following the discovery of:

   a. **Insider abuse involving any amount.** Whenever the financial institution detects any known or suspected Federal criminal violation, or pattern of criminal violations, committed or attempted against the financial institution or involving a transaction or transactions conducted through the financial institution, where the financial institution believes that it was either an actual or potential victim of a criminal violation, or series of criminal violations, or that the financial institution was used to facilitate a criminal transaction, and the financial institution has a substantial basis for identifying one of its directors, officers, employees, agents or other institution-affiliated parties as having committed or aided in the commission of a criminal act regardless of the amount involved in the violation.

   b. **Violations aggregating $5,000 or more where a suspect can be identified.** Whenever the financial institution detects any known or suspected Federal criminal violation, or pattern of criminal violations, committed or attempted against the financial institution or involving a transaction or transactions conducted through the financial institution and involving or aggregating $5,000 or more in funds or other assets, where the financial institution believes that it was either an actual or potential victim of a criminal violation, or series of criminal violations, or that the financial institution was used to facilitate a criminal transaction, and the financial institution has a substantial basis for identifying a possible suspect or group of suspects. If it is determined prior to filing this report that the identified suspect or group of suspects has used an "alias," then information regarding the true identity of the suspect or group of suspects, as well as alias identifiers, such as drivers' licenses or social security numbers, addresses and telephone numbers, must be reported.

   c. **Violations aggregating $25,000 or more regardless of a potential suspect.** Whenever the financial institution detects any known or suspected Federal criminal violation, or pattern of criminal violations, committed or attempted against the financial institution or involving a transaction or transactions conducted through the financial institution and involving or aggregating $25,000 or more in funds or other assets, where the financial institution believes that it was either an actual or potential victim of a criminal violation, or series of criminal violations, or that the financial institution was used to facilitate a criminal transaction, even though there is no substantial basis for identifying a possible suspect or group of suspects.

   d. **Transactions aggregating $5,000 or more that involve potential money laundering or violations of the Bank Secrecy Act.** Any transaction (which for purposes of this subsection means a deposit, withdrawal, transfer between accounts, exchange of currency, loan, extension of credit, purchase or sale of any stock, bond, certificate of deposit, or other monetary instrument or investment security, or any other payment, transfer, or delivery by, through, or to a financial institution, by whatever means effected) conducted or attempted by, at

or through the financial institution and involving or aggregating $5,000 or more in funds or other assets, if the financial institution knows, suspects, or has reason to suspect that:

i. The transaction involves funds derived from illegal activities or is intended or conducted in order to hide or disguise funds or assets derived from illegal activities (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any law or regulation or to avoid any transaction reporting requirement under Federal law;

ii. The transaction is designed to evade any regulations promulgated under the Bank Secrecy Act; or

iii. The transaction has no business or apparent lawful purpose or is not the sort in which the particular customer would normally be expected to engage, and the financial institution knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

The Bank Secrecy Act requires all financial institutions to file currency transaction reports (CTRs) in accordance with the Department of the Treasury's implementing regulations (31 CFR Part 103). These regulations require a financial institution to file a CTR whenever a currency transaction exceeds $10,000. If a currency transaction exceeds $10,000 and is suspicious, the institution must file both a CTR (reporting the currency transaction) and a suspicious activity report (reporting the suspicious or criminal aspects of the transaction). If a currency transaction equals or is below $10,000 and is suspicious, the institution should only file a suspicious activity report.

2. **Computer Intrusion.** For purposes of this report, "computer intrusion" is defined as gaining access to a computer system of a financial institution to:

   a. Remove, steal, procure, or otherwise affect funds of the institution or the institution's customers;
   b. Remove, steal, procure or otherwise affect critical information of the institution including customer account information; or
   c. Damage, disable or otherwise affect critical systems of the institution.

   For purposes of this reporting requirement, computer intrusion does not mean attempted intrusions of websites or other non-critical information systems of the institution that provide no access to institution or customer financial or other critical information.

3. A financial institution is required to file a suspicious activity report no later than 30 calendar days after the date of initial detection of facts that may constitute a basis for filing a suspicious activity report. If no suspect was identified on the date of detection of the incident requiring the filing, a financial institution may delay filing a suspicious activity report for an additional 30 calendar days to identify a suspect. In no case shall reporting be delayed more than 60 calendar days after the date of initial detection of a reportable transaction.

4. This suspicious activity report does not need to be filed for those robberies and burglaries that are reported to local authorities, or (except for savings associations and service corporations) for lost, missing, counterfeit, or stolen securities that are reported pursuant to the requirements of 17 CFR 240.17f-1.

HOW TO MAKE A REPORT:

1. Send each completed suspicious activity report to:

   Detroit Computing Center, P.O. Box 33980, Detroit, MI 48232-0980

2. For items that do not apply or for which information is not available, leave blank.
3. If you are correcting a previously filed report, check the box at the top of the report (line 1). Complete the report in its entirety and include the corrected information in the applicable boxes. Then describe the changes that are being made in Part V (Description of Suspicious Activity), line k.
4. **Do not include any supporting documentation with the suspicious activity report.** Identify and retain a copy of the suspicious activity report and all original supporting documentation or business record equivalent for five (5) years from the date of the suspicious activity report. All supporting documentation must be made available to appropriate authorities upon request.
5. If more space is needed to report additional suspects, attach copies of page 1 to provide the additional information. If more space is needed to report additional branch addresses, include this information in the narrative, Part V.
6. Financial institutions are encouraged to provide copies of suspicious activity reports to state and local authorities, where appropriate.

GAMING CONTROL BOARD
SUSPICIOUS WAGER REPORT
NGC REGULATION 22.121 AND 5A.160

DATE OF INCIDENT:

PART I - CASINO REPORTING INFORMATION

1. CASINO NAME	2. LICENSEE/LOCATION #

PART II - SUSPECT INFORMATION (PERSON INVOLVED IN SUSPICIOUS WAGERING - IF AVAILABLE)

3. INDIVIDUAL'S LAST NAME:	4. FIRST NAME:	5. MIDDLE INITIAL:

6. DESCRIBE IDENTIFICATION CREDENTIAL:

A. ☐ DRIVER'S LICENSE/STATE I.D. B. ☐ PASSPORT

C. ☐ OTHER _____

D. NUMBER: _____ E. ISSUING AUTHORITY: _____

F. SOCIAL SECURITY NUMBER: _____ G. DATE OF BIRTH: _____

PART III - PREPARER INFORMATION

7. LAST NAME	8. FIRST NAME	9. MIDDLE INITIAL

10. TITLE/POSITION:	11. WORK PHONE NUMBER (INCLUDE AREA CODE):	12. WORK CARD NUMBER/ISSUING AGENCY:

PART IV - SUSPICIOUS WAGERING INFORMATION

13. EXPLANATION/DESCRIPTION OF KNOWN OR SUSPECTED VIOLATION OF NGC REGULATION 22.121 AND 5A.160. PROVIDE A CLEAR AND CONCISE ACCOUNT OF THE POSSIBLE VIOLATION OF NGC REGULATION 22.121 AND 5A.160. DESCRIBE IN DETAIL WHAT IS UNUSUAL, IRREGULAR OR SUSPICIOUS ABOUT THE ACTIVITY. THIS SECTION OF THE REPORT IS **CRITICAL.** THE CARE WITH WHICH IT IS WRITTEN MAY MAKE THE DIFFERENCE IN WHETHER OR NOT THE DESCRIBED SUSPICIOUS CONDUCT IS CLEARLY UNDERSTOOD.

_____ _____

Signature Date

This report shall be filed no later than 7 calendar days after the initial detection by the licensee of facts that may constitute a basis for filing such a report. If no suspect was identified on the date of the detection of the incident requiring the filing, a licensee may delay filing a report for an additional 7 calendar days to identify a suspect. In no case shall reporting be delayed more than 14 calendar days after the date of initial detection of a reportable transaction. In situations involving violations that require immediate attention, the licensee shall immediately notify, by telephone, the Board in addition to timely filing a report.

Submit original form to: GAMING CONTROL BOARD, ENFORCEMENT DIVISION, 555 EAST WASHINGTON AVENUE, SUITE 2600, LAS VEGAS, NEVADA 89101.

FINCEN Form **104**

(March 2011)
Department of the Treasury
FinCEN

Currency Transaction Report

▶ **Previous editions will not be accepted after September, 2011.**

▶ **Please type or print.**

(Complete all parts that apply--See Instructions)

OMB No. 1506-0004

1 Check all box(es) that apply: a ☐ Amends prior report b ☐ Multiple persons c ☐ Multiple transactions

Part I Person(s) Involved in Transaction(s)

Section A--Person(s) on Whose Behalf Transaction(s) Is Conducted

2 Individual's last name or entity's name | 3 First name | 4 Middle initial

5 Doing business as (DBA) | 6 SSN or EIN

7 Address (number, street, and apt. or suite no.) | 8 Date of birth ___/___/___ MM DD YYYY

9 City | 10 State | 11 ZIP code | 12 Country code (if not U.S.) | 13 Occupation, profession, or business

14 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration

d ☐ Other _____ e Issued by: _____ f Number: _____

Section B--Individual(s) Conducting Transaction(s) (if other than above).

If Section B is left blank or incomplete, check the box(es) below to indicate the reason(s)

a ☐ **Armored Car Service** b ☐ **Mail Deposit or Shipment** c ☐ **Night Deposit or Automated Teller Machine** d ☐ **Multiple Transactions** e ☐ **Conducted On Own Behalf**

15 Individual's last name | 16 First name | 17 Middle initial

18 Address (number, street, and apt. or suite no.) | 19 SSN

20 City | 21 State | 22 ZIP code | 23 Country code (If not U.S.) | 24 Date of birth ___/___/___ MM DD YYYY

25 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration

d ☐ Other _____ e Issued by: _____ f Number: _____

Part II Amount and Type of Transaction(s). Check all boxes that apply.

26 Total cash in $ 0.00 | 27 Total cash out $ 0.00 | 28 Date of transaction ___/___/___ MM DD YYYY

26a Foreign cash in 0.00 (see instructions, page 4) | 27a Foreign cash out 0.00 (see instructions, page 4)

29 ☐ Foreign Country _____ | 30 ☐ Wire Transfer(s) | 31 ☐ Negotiable Instrument(s) Purchased

32 ☐ Negotiable Instrument(s) Cashed | 33 ☐ Currency Exchange(s) | 34 ☐ Deposit(s)/Withdrawal(s)

35 ☐ Account Number(s) Affected (if any): | 36 ☐ Other (specify)

Part III Financial Institution Where Transaction(s) Takes Place

37 Name of financial institution | Enter Regulator or BSA Examiner code number ▶ (see instructions)

38 Address (number, street, and apt. or suite no.) | 39 EIN or SSN

40 City | 41 State | 42 ZIP code | 43 Routing (MICR) number

Sign Here ▶ 44 Title of approving official | 45 Signature of approving official | 46 Date of signature ___/___/___ MM DD YYYY

47 Type or print preparer's name | 48 Type or print name of person to contact | 49 Telephone number ( ) -

Multiple Persons

Complete applicable parts below if box 1b on page 1 is checked

Part I Person(s) Involved in T ransaction(s)

Section A--Person(s) on Whose Behalf Transaction(s) Is Conducted

2 Individual's last name or entity's name	3 First name	4 Middle initial

5 Doing business as (DBA)	6 SSN or EIN
7 Address (number, street, and apt. or suite no.)	8 Date of birth ___/___/_____ MM DD YYYY

9 City	10 State	11 ZIP code	12 Country code (if not U.S.)	13 Occupation, profession, or business

14 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration

d ☐ Other _____ e Issued by: _____ f Number: _____

Section B--Individual(s) Conducting Transaction(s) (if other than above).

15 Individual's last name	16 First name	17 Middle initial

18 Address (number, street, and apt. or suite no.)	19 SSN

20 City	21 State	22 ZIP code	23 Country code (if not U.S.)	24 Date of birth ___/___/_____ MM DD YYYY

25 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration

d ☐ Other _____ e Issued by: _____ f Number: _____

Part I Person(s) Involved in T ransaction(s)

Section A--Person(s) on Whose Behalf Transaction(s) Is Conducted

2 Individual's last name or entity's name	3 First name	4 Middle initial

5 Doing business as (DBA)	6 SSN or EIN
7 Address (number, street, and apt. or suite no.)	8 Date of birth ___/___/_____ MM DD YYYY

9 City	10 State	11 ZIP code	12 Country code (if not U.S.)	13 Occupation, profession, or business

14 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration

d ☐ Other _____ e Issued by: _____ f Number: _____

Section B--Individual(s) Conducting Transaction(s) (if other than above).

15 Individual's last name	16 First name	17 Middle initial

18 Address (number, street, and apt. or suite no.)	19 SSN

20 City	21 State	22 ZIP code	23 Country code (if not U.S.)	24 Date of birth ___/___/_____ MM DD YYYY

25 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration

d ☐ Other _____ e Issued by: _____ f Number: _____

Suspicious Transactions

This Currency Transaction Report (CTR) should NOT be filed for suspicious transactions involving $10,000 or less in currency OR to note that a transaction of more than $10,000 is suspicious. Any suspicious or unusual activity should be reported by a financial institution in the manner prescribed by its appropriate federal regulator or BSA examiner. (See the instructions for Item 37). If a transaction is suspicious and in excess of $10,000 in currency, then both a CTR and the appropriate Suspicious Activity Report form must be filed.

In situations involving suspicious transactions requiring immediate attention, such as when a reportable transaction is ongoing, the fianacial institution shall immediately notify, by telephone, appropriate law enforcement and regulatory authorities in addition to filing a timely suspicious activity report.

General Instructions

Who Must File. Each financial institution (other than a casino, which instead must file FinCEN Form 103, and the U.S. Postal Service for which there are separate rules) must file FinCEN Form 104 (CTR) for each deposit, withdrawal, exchange of currency, or other payment or transfer, by, through, or to the financial institution which involves a transaction in currency of more than $10,000. Multiple transactions must be treated as a single transaction if the financial institution has knowledge that (1) they are by or on behalf of the same person, and (2) they result in either currency received (Cash In) or currency disbursed (Cash Out) by the financial institution totaling more than $10,000 during any one business day. For a bank, a business day is the day on which transactions are routinely posted to customers' accounts, as normally communicated to depository customers. For all other financial institutions, a business day is a calendar day.

Generally, financial institutions are defined as banks, other types of depository institutions, brokers or dealers in securities, money transmitters, currency exchangers, check cashers, and issuers and sellers of money orders and traveler's checks. Should you have questions, see the definitions in 31 CFR Chapter X.

When and Where To File. This form should be e-filed through the Bank Secrecy Act E-filing System. Go to http: //bsaefiling.fincen.treas.gov/index.jsp to register. This form is also available for download on the Financial Crimes Enforcement Network's Web site at www.fincen.gov, or may be ordered by calling the IRS Forms Distribution Center at (800) 829-3676. File this CTR by the 15th calendar day after the day of the transaction with the:

Enterprise Computing Center - Detroit
ATTN: CTR
P.O. Box 33604
Detroit, MI 48232-5604

Keep a copy of each CTR for five years from the date filed.

A financial institution may apply to file the CTRs electronically. To obtain an application to file electronically, contact the Bank Secrecy Act E-filing System. Go to http: //bsaefiling.fincen.treas.gov/main.html to register or contact the BSA E-Filing Help Desk at 1-866-346-9478 (select option # 6) or via email at BSAEFilingHelp@fincen.gov

Identification Requirements. All individuals (except a employees of armored car services) conducting a reportable transaction(s) for themselves or for another person, must be identified by means of an official document(s). Acceptable forms of identification include driver's license, military and military/dependent identification cards, passport, state issued identification card, cedular card (foreign), non-resident alien identification cards, or any other identification document or documents, which contain name and preferably address and a photograph and are normally acceptable by financial institutions as a means of identification when cashing checks for persons other than established customers.

Acceptable identification information obtained previously and maintained in the financial institution's records may be used. For example, if documents verifying an individual's identity were examined and recorded on a signature card when an account was opened, the financial institution may rely on that information. In completing the CTR, the financial institution must indicate on the form the method, type, and number of the identification. Statements such as "known customer" or "signature card on file" are not sufficient for form completion.

Penalties. Civil and criminal penalties are provided for failure to file a CTR or to supply information or for filing a false or fraudulent CTR. See 31 U.S.C. 5321, 5322 and 5324.

For purposes of this CTR, the terms below have the following meanings:

Currency. The coin and paper money of the United States or any other country, which is circulated and customarily used and accepted as money.

Person. An individual, corporation, partnership, trust or estate, joint stock company, association, syndicate, joint venture or other unincorporated organization or group.

Organization. Entity other than an individual.

Transaction in Currency. The **physical** transfer of currency from one person to another. This does not include a transfer of funds by means of bank check, bank draft, wire transfer or other written order that does not involve the physical transfer of currency.

Negotiable Instruments. All checks and drafts (including business, personal, bank, cashier's and third-party), money orders, and promissory notes. For purposes of this CTR, all traveler's checks shall also be considered negotiable instruments whether or not they are in bearer form.

Foreign exchange rate. If foreign currency is a part of a currency transaction that requires the completion of a CTR, use the exchange rate in effect for the business day of the transaction to compute the amount, in US dollars, to enter in item 26/27. The source of the exchange rate that is used will be determined by the reporting institution.

Specific Instructions

Because of the limited space on the front and back of the CTR, it may be necessary to submit additional information on attached sheets. Submit this additional information on plain paper attached to the CTR. Be sure to put the individual's or entity's name and identifying number (items 2, 3, 4, and 6 of the CTR) on any additional sheets so that if it becomes separated, it may be associated with the CTR.

Item 1a. Amends Prior Report. If this CTR is being filed because it amends a report filed previously, check Item 1a. Complete the form in its entirety (Part I, II, and III) and include the amended information. Do not attach a copy of the original.

Multiple Persons. If this transaction is being conducted by more than one person or on behalf of more than one person, check Item 1b. Enter information in Part I for one of the persons and provide information on any other persons on the back of the CTR.

Item 1c. Multiple Transactions. If the financial institution has knowledge that there are multiple transactions, check Item 1c.

PART I - Person(s) Involved in Transaction(s)

Section A **must** be completed. If an individual conducts a transaction on his own behalf, complete Section A and leave Section "B" BLANK. If an individual conducts a transaction on his own behalf and on behalf of another person(s), complete Section "A" for each person and leave Section "B" BLANK. If an individual conducts a transaction on behalf of another person(s), complete Section "B" for the individual conducting the transaction, and complete Section "A" for each person on whose behalf the transaction is conducted of whom the financial institution has knowledge.

Section A. Person(s) on Whose Behalf Transaction(s) Is Conducted. See instructions above.

Items 2, 3, and 4. Individual/Organization Name. If the person on whose behalf the transaction(s) is conducted is an individual, put his/her last name in Item 2, first name in Item 3, and middle initial in Item 4. If there is no middle initial, leave item 4 BLANK. If the transaction is conducted on behalf of an entity, enter the name in Item 2 and leave Items 3 and 4 BLANK.

Item 5. Doing Business As (DBA). If the financial institution has knowledge of a separate "doing business as" name, enter it in Item 5. For example, if Smith Enterprise is doing business as MJ's Pizza, enter "MJ's Pizza" in item 5.

Item 6. SSN or EIN. Enter the Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) or Employer Identification Number (EIN) of the person or entity identified in Item 2. If none, leave blank.

Items 7, 9, 10, 11, and 12. Address. Enter the permanent address including ZIP Code of the person identified in Item 2. Use the U.S. Postal Service's two letter state abbreviation code. A P. O. Box should not be used by itself, and may only be used if there is no street address. If a P. O. Box is used, the name of the apartment or suite number, road or route number where the person resides must also be provided. If the address is outside the U.S., provide the street address, city, province or state, postal code (if known), and the two letter country code. For country code list go to www.fincen.gov/reg_bsaforms.html or telephone 800-949-2732 and select option number 5. If U.S., leave item 12 blank.

Item 8. Date of Birth. Enter the date of birth. Eight numerals must be inserted for each date. The first two will reflect the month, the second two the day, and the last four the year. A zero (0) should precede any single digit number. For example, if an individual's birth date is April 3 1948, Item 8 should read 04 03 1948.

Item 13. Occupation, profession, or business. If known, identify the occupation, profession or business that best describes the individual or entity in Part I (*e.g.*, attorney, car dealer, carpenter, doctor, farmer, plumber, truck driver, etc.). Do not use nondescript terms such as businessman, merchant, store owner (unless store's name is provided), or self employed. If unemployed, or retired are used enter the regular or former occupation if known.

Item 14. If an Individual, Describe Method Used To Verify Identity. If an individual conducts the transaction(s) on his/her own behalf, his/her identity must be verified by examination of an acceptable document (see **General Instructions**). For example, check box **a** if a driver's license is used to verify an individual's identity, and enter the state that issued the license and the number in items ***e*** and **f**. If the transaction is conducted by an individual on behalf of another individual not present, or on behalf of an entity, check box "14d" "Other" and enter "NA" on the line provided.

Section B. Individual(s) Conducting Transaction(s) (if other than above). Financial institutions should enter as much information as is available. However, there may be instances in which Items 15-25 may be left BLANK or incomplete. If Items 15-25 are left BLANK or incomplete, check one or more of the boxes provided to indicate the reasons.

Example: If there are multiple transactions that, if only when aggregated, the financial institution has knowledge the transactions exceed the reporting threshold, and therefore, did not identify the transactor(s), check boxd for Multiple Transactions.

Items 15, 16, and 17. Individual's Name. Complete these items if an individual conducts a transaction(s) on behalf of another person. For example, if John Doe, an employee of XY Grocery Store, makes a deposit to the store's account, XY Grocery Store should be identified in Section A and John Doe should be identified in section B.

Items 18, 20, 21, 22, and 23. Address. Enter the permanent street address including ZIP Code of the individual. (See the instructions for Items 7 and 9 through 12.) Enter country code if not U.S. (Reference item 12).

Item 19. SSN/ITIN. If the individual has a Social Security Number, or Individual Taxpayer Indentifcation Number, enter it in Item 19. If the individual does not have an SSN/ ITIN, enter NONE.

Item 24. Date of Birth. Enter the individual' s date of birth. (See the instructions for Item 8.)

Item 25. If an Individual, Describe Method Used To Verify Identity. Enter the method used to identify the individual's identity. (See **General Instructions** and the instructions for Item 14.)

PART II - Amount and Type of Transaction(s)
Complete Part II to identify the type of transaction(s) and the amount(s) involved.

Items 26 and 27. Total Cash In/Total Cash Out. In the spaces provided, enter the total amount of currency received (Total Cash In) or total currency disbursed (T otal Cash Out) by the financial institution. If foreign currency is exchanged, use the U.S. dollar equivalent on the day of the transaction (See "Foreign exchange rates"), and complete item 26a or 27a, whichever is appropriate.

If less than a full dollar amount is involved, increase that figure to the next highest dollar For example, if the currency totals $20,000.05, show the total as $20,001.00.

Items 26a and 27a. Foreign cash in/Foreign cash out. If foreign currency is exchanged, enter the amount of foreign currency (Do not convert to U.S. dollars) in items 26a and 27a. Report country of origin in item 29.

Item 28. Date of Transaction. Insert eight numerals for each date. (See instructions for Item 8.)

Item 29. Foreign Country. If items 26a and/or 27a are completed indicating that foreign currency is involved, check Item 29 and identify the country If multiple foreign currencies are involved, check box 36 and identify the additional country(s) and/or currency(s) involved.

Determining Whether Transactions Meet the Reporting Threshold.

Only cash transactions that, if alone or when aggregated, exceed $10,000 should be reported on the CTR. Transactions shall not be offset against one another.

If there are both Cash In and Cash Out transactions that are reportable, the amounts should be considered separately and not aggregated. However, they may be reported on a single CTR.

If there is a currency exchange, it should be aggregated separately with each of the Cash In and Cash Out totals.

Example 1: A person deposits $11,000 in currency to his savings account and withdraws $3,000 in currency from his checking account. The CTR should be completed as follows:
Cash In $11,000 and no entry for Cash Out. This is because the $3,000 transaction does not meet the reporting threshold.

Example 2: A person deposits $11,000 in currency to his savings account and withdraws $12,000 in currency from his checking account. The CTR should be completed as follows:
Cash In $11,000, Cash Out $12,000. This is because there are two reportable transactions. However, one CTR may be filed to reflect both.

Example 3: A person deposits $6,000 in currency to his savings account and withdraws $4,000 in currency from his checking account. Further, he presents $5,000 in currency to be exchanged for the equivalent in Euros. The CTR should be completed as follows:
Cash In $11,000 and no entry for Cash Out. This is because in determining whether the transactions are reportable, the currency exchange is aggregated with each of the Cash In and Cash Out amounts. The result is a reportable $11,000 Cash In transaction. The total Cash Out amount is $9,000, which does not meet the reporting threshold. Therefore, it is not entered on the CTR.

Example 4: A person deposits $6,000 in currency to his savings account and withdraws $7,000 in currency from his checking account. Further, he presents $5,000 in currency to be exchanged for the equivalent in Euros. The CTR should be completed as follows:
Cash In $11,000, Cash Out $12,000. This is because in determining whether the transactions are reportable, the currency exchange is aggregated with each of the Cash In and Cash Out amounts. In this example, each of the Cash In and Cash Out totals exceed $10,000 and must be reflected on the CTR.

Items 30-33. Check the appropriate item(s) to identify the following type of transaction(s):
30. Wire Transfer(s)
31. Negotiable Instrument(s) Purchased
32. Negotiable Instrument(s) Cashed
33. Currency Exchange(s)

Item 34. Deposits/Withdrawals. Check this item to identify deposits to or withdrawals from accounts, e.g. demand deposit accounts, savings accounts, time deposits, mutual fund accounts, or any other account held at the financial institution. Enter the account number(s) in Item 35.

Item 35. Account Numbers Affected (if any). Enter the account numbers of any accounts affected by the transactions that are maintained at the financial institution conducting the transaction(s).

Example 1: If a person cashes a check drawn on an account held at the financial institution, the CTR should be completed as follows:
Indicate negotiable instrument(s) cashed and provide the account number of the check.

If the transaction does not afect an account, make no entry

Example 2: A person cashes a check drawn on another financial institution. In this instance, negotiable instrument(s) cashed would be indicated, but no account at the financial institution has been affected. Therefore, Item 35 should be left BLANK.

Item 36. Other (specify). If a transaction is not identified in Items 30-34, check Item 36 and provide an additional description. For example, a person presents a check to purchase "foreign currency." If multiple (more than one) foreign currencies are involved in the transaction, enter the amount of the largest foreign currency transaction in item 26a or 27a and that currency' s country-code of origin in item 29. Then check box 36 and enter the additional foreign currencies amount(s) and country-code(s) of origin in the space provided.

PART III - Financial Institution Where Transaction(s) Take Place

Item 37. Name of Financial Institution and Identity of Regulator or BSA Examiner. Enter the financial institution's full legal name and identify the regulator or BSA examiner, using the following codes:

Regulator or BSA Examiner CODE
Comptroller of the Currency (OCC).....1
Federal Deposit Insurance Corporation (FDIC).....2
Federal Reserve System (FRS).....3
Office of Thrift Supervision (OTS).....4
National Credit Union Administration (NCUA).....5
Securities and Exchange Commission (SEC).....6
Internal Revenue Service (IRS).....7
U.S. Postal Service (USPS).....8
Commodity Futures Trading Commission (CFTC).....9
State Regulator.....10

Items 38, 40, 41, and 42. Address. Enter the street address, city, state, and ZIP Code of the financial institution where the transaction occurred. If there are multiple transactions, provide information of the office or branch where any one of the transactions has occurred.

Item 39. EIN or SSN. Enter the financial institution' s EIN. If the financial institution does not have an EIN, enter the SSN of the financial institution' s principal owner.

Item 43. Routing (MICR) Number. If a depository institution, enter the routing (Magnetic Ink Character Recognition (MICR)) number.

SIGNATURE

Items 44 and 45. Title and signature of Approving Official. The official who reviews and approves the CTR must indicate his/her title and sign the CTR.

Item 46. Date of Signature. The approving official must enter the date the CTR is signed. (See the instructions for Item 8.)

Item 47. Preparer's Name. Type or print the full name of the individual preparing the CTR. The preparer and the approving official may not necessarily be the same individual.

Items 48 and 49. Contact Person/Telephone Number. Type or print the name and telephone number of an individual to contact concerning questions about the CTR.

Paperwork Reduction Act Notice. The requested information is useful in criminal, tax, and regulatory investigations and proceedings. Financial institutions are required to provide the information under 31 U.S.C. 5313 and 31 CFR Chapter X, commonly referred to as the Bank Secrecy Act (BSA). The BSA is administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). You are not required to provide the requested information unless a form displays a valid OMB control number. The time needed to complete this form will vary depending on individual circumstances. The estimated average time is 19 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, you may write to the **Financial Crimes Enforcement Network, P. O. Box 39, Vienna, VA 22183. Do not** send this form to this ofice. Instead, see **When and Where to File** in the instructions.

Nevada Sports Betting/Contest/Tournament and Related Statutes, Criminal Statutes, Regulations and Minimum Internal Controls (MICS)

Nevada Gaming Act – Nevada Revised Statutes

(Note: some statutes have some unrelated subsections deleted)

NRS 463.0136 "Associated equipment" defined. "Associated equipment" means:

1. Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or mobile gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money; or
2. A computerized system for recordation of sales for use in an area subject to the tax imposed pursuant to NRS 368A.200.

(Added to NRS by 1985, 2133; A 1997, 3497; 2003, 20th Special Session, 208; 2005, 716)

NRS 463.014 "Cashless wagering system" defined. "Cashless wagering system" means a method of wagering and accounting:

1. In which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained by a computer operated and maintained by a licensee which maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device; or
2. Used in a race book or sports pool in which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained on a computer that maintains a record of each transaction involving the wagering instrument or wagering credits and is operated and maintained by a licensee.

(Added to NRS by 1993, 829; A 1995, 1496; 1997, 3497; 2013, 2105, 3308)

NRS 463.01463 "Contest" defined. "Contest" means a competition among patrons for a prize, whether or not:

1. The prize is a specified amount of money; or
2. Consideration is required to be paid by the patrons to participate in the competition.

(Added to NRS by 1991, 925)

NRS 463.0147 "Disseminator" defined. "Disseminator" means any person who furnishes an operator of a race book, sports pool or gambling game who is licensed in this state with information relating to horse racing or other racing which is used to determine winners of or payoffs on wagers accepted by the operator. The term does not include a person who provides a televised broadcast without charge to any person who receives the broadcast.

(Added to NRS by 1987, 1779)

NRS 463.01642 "Information service" defined. "Information service" means a person who sells and provides information to a licensed sports pool that is used primarily to aid the placing of wagers on events of any kind. The term includes, without limitation, a person who sells and provides any:

1. Line, point spread or odds;
2. Information, advice or consultation considered by a licensee in establishing or setting any line, point spread or odds; or
3. Advice, estimate or prediction regarding the outcome of an event.

□ The term does not include a newspaper or magazine of general circulation or a television or radio service or broadcast if the primary purpose of the newspaper, magazine or television or radio service or broadcast is other than to aid the placing of wagers on events of any kind.

(Added to NRS by 1997, 1116)

NRS 463.016425 "Interactive gaming" defined.

1. "Interactive gaming" means the conduct of gambling games through the use of communications technology that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards, debit cards or any other instrumentality, to transmit to a computer information to assist in the placing of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term:

(a) Includes, without limitation, Internet poker.

(b) Does not include the operation of a race book or sports pool that uses communications technology approved by the Board pursuant to regulations adopted by the Commission to accept wagers originating within this state for races, or sporting events or other events.

2. As used in this section, "communications technology" means any method used and the components employed by an establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wire, cable, radio, microwave, light, optics or computer data networks, including, without limitation, the Internet and intranets.

(Added to NRS by 2001, 3075; A 2009, 2429; 2011, 1668)

NRS 463.0177 "Nonrestricted license" and "nonrestricted operation" defined. "Nonrestricted license" or "nonrestricted operation" means:

1. A state gaming license for, or an operation consisting of, 16 or more slot machines;
2. A license for, or operation of, any number of slot machines together with any other game, gaming device, race book or sports pool at one establishment;
3. A license for, or the operation of, a slot machine route;
4. A license for, or the operation of, an inter-casino linked system; or
5. A license for, or the operation of, a mobile gaming system.

(Added to NRS by 1981, 1068; A 1997, 3499; 2005, 717)

NRS 463.0189 "Restricted license" and "restricted operation" defined. "Restricted license" or "restricted operation" means a state gaming license for, or an operation consisting of, not more than 15 slot machines and no other game or gaming device, race book or sports pool at an establishment in which the operation of slot machines is incidental to the primary business of the establishment.

(Added to NRS by 1981, 1068; A 1989, 1096; 2013, 2153, 3318)

NRS 463.0193 "Sports pool" defined. "Sports pool" means the business of accepting wagers on sporting events or other events by any system or method of wagering.

(Added to NRS by 1975, 673; A 1997, 3500; 2009, 2429)

NRS 463.0196 "Tournament" defined. "Tournament" means a series of contests.

(Added to NRS by 1991, 925)

NRS 463.01962 "Wager" defined. "Wager" means a sum of money or representative of value that is risked on an occurrence for which the outcome is uncertain.

(Added to NRS by 1997, 3497)

NRS 463.01963 "Wagering credit" defined. "Wagering credit" means a representative of value, other than a chip, token or wagering instrument, that is used for wagering at a game, gaming device, race book or sports pool and is obtained by the payment of cash or a cash equivalent, the use of a wagering instrument or the electronic transfer of money.

(Added to NRS by 1995, 1495; A 2013, 2107, 3310)

NRS 463.151 Regulations requiring exclusion or ejection of certain persons from licensed establishments: Persons included.

1. The Legislature hereby declares that the exclusion or ejection of certain persons from licensed gaming establishments which conduct pari-mutuel wagering or operate any race book, sports pool or

games, other than slot machines only, is necessary to effectuate the policies of this chapter and to maintain effectively the strict regulation of licensed gaming.

2. The Commission may by regulation provide for the establishment of a list of persons who are to be excluded or ejected from any licensed gaming establishment which conducts pari-mutuel wagering or operates any race book, sports pool or games, other than slot machines only. The list may include any person whose presence in the establishment is determined by the Board and the Commission to pose a threat to the interests of this state or to licensed gaming, or both.

3. In making that determination, the Board and the Commission may consider any:

(a) Prior conviction of a crime which is a felony in this state or under the laws of the United States, a crime involving moral turpitude or a violation of the gaming laws of any state;

(b) Violation or conspiracy to violate the provisions of this chapter relating to:

(1) The failure to disclose an interest in a gaming establishment for which the person must obtain a license; or

(2) Willful evasion of fees or taxes;

(c) Notorious or unsavory reputation which would adversely affect public confidence and trust that the gaming industry is free from criminal or corruptive elements; or

(d) Written order of a governmental agency which authorizes the exclusion or ejection of the person from an establishment at which gaming or pari-mutuel wagering is conducted.

4. Race, color, creed, national origin or ancestry, or sex must not be grounds for placing the name of a person upon the list.

(Added to NRS by 1967, 1041; A 1977, 1430; 1981, 540; 1985, 2136)

REGULATION OF PERSONS INVOLVED IN GAMING

NRS 463.160 Licenses required; unlawful to permit certain gaming activities to be conducted without license; exceptions; separate license required for each location where operation of race book or sports pool conducted.

1. Except as otherwise provided in subsection 4 and NRS 463.172, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others:

(a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any gambling game, gaming device, inter-casino linked system, mobile gaming system, slot machine, race book or sports pool;

(b) To provide or maintain any information service;

(d) To receive, directly or indirectly, any compensation or reward or any percentage or share of the money or property played, for keeping, running or carrying on any gambling game, slot machine, gaming device, mobile gaming system, race book or sports pool;

(f) To operate, carry on, conduct, maintain or expose for play in or from the State of Nevada any interactive gaming system,

□ without having first procured, and thereafter maintaining in effect, all federal, state, county and municipal gaming licenses as required by statute, regulation or ordinance or by the governing board of any unincorporated town.

3. Except as otherwise provided in subsection 4, it is unlawful for any person knowingly to permit any gambling game, slot machine, gaming device, inter-casino linked system, mobile gaming system, race book or sports pool to be conducted, operated, dealt or carried on in any house or building or other premises owned by the person, in whole or in part, by a person who is not licensed pursuant to this chapter, or that person's employee.

5. For the purposes of this section, the operation of a race book or sports pool includes making the premises available for any of the following purposes:

(a) Allowing patrons to establish an account for wagering with the race book or sports pool;

(b) Accepting wagers from patrons;

(c) Allowing patrons to place wagers;

(d) Paying winning wagers to patrons; or

(e) Allowing patrons to withdraw cash from an account for wagering or to be issued a ticket, receipt, representation of value or other credit representing a withdrawal from an account for wagering that can be redeemed for cash,

□ whether by a transaction in person at an establishment or through mechanical means, such as a kiosk or similar device, regardless of whether that device would otherwise be considered associated equipment. A separate license must be obtained for each location at which such an operation is conducted.

[16:429:1955] — (NRS A 1959, 437; 1961, 662; 1965, 1032; 1967, 1029, 1591; 1969, 372; 1971, 229; 1975, 675; 1977, 1423; 1979, 775, 1014, 1523; 1981, 1078; 1983, 140; 1985, 2137; 1989, 708, 969; 1995, 758; 1997, 117, 1118, 3500; 2001, 897; 2003, 1170; 2005, 717; 2011, 207, 1669; 2013, 2153, 3318)

NRS 463.1605 Limitation on approval of nonrestricted license in county whose population is 100,000 or more; additional local regulation of resort hotels permissible.

1. Except as otherwise provided in subsection 3, the Commission shall not approve a nonrestricted license, other than for the operation of a mobile gaming system, race book or sports pool at an establishment which holds a nonrestricted license to operate both gaming devices and a gambling game, for an establishment in a county whose population is 100,000 or more unless the establishment is a resort hotel.

2. A county, city or town may require resort hotels to meet standards in addition to those required by this chapter as a condition of issuance of a gaming license by the county, city or town.

3. The Commission may approve a nonrestricted license for an establishment which is not a resort hotel at a new location if:

(a) The establishment was acquired or displaced pursuant to a redevelopment project undertaken by an agency created pursuant to chapter 279 of NRS in accordance with a final order of condemnation entered before June 17, 2005; or

(b) The establishment was acquired or displaced pursuant to a redevelopment project undertaken by an agency created pursuant to chapter 279 of NRS in accordance with a final order of condemnation entered on or after June 17, 2005, and the new location of the establishment is within the same redevelopment area as the former location of the establishment.

(Added to NRS by 1991, 1405; A 1993, 2048; 1995, 2234; 2005, 718, 2210)

NRS 463.162 State gaming license required where equipment, services or property delivered or furnished for gaming interest or revenue; exemptions.
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1. Except as otherwise provided in subsections 2 and 3, it is unlawful for any person to:

(a) Lend, let, lease or otherwise deliver or furnish any equipment of any gambling game, including any slot machine, for any interest, percentage or share of the money or property played, under guise of any agreement whatever, without having first procured a state gaming license.

(b) Lend, let, lease or otherwise deliver or furnish, except by a bona fide sale or capital lease, any slot machine under guise of any agreement whereby any consideration is paid or is payable for the right to possess or use that slot machine, whether the consideration is measured by a percentage of the revenue derived from the machine or by a fixed fee or otherwise, without having first procured a state gaming license for the slot machine.

(c) Furnish services or property, real or personal, on the basis of a contract, lease or license, pursuant to which that person receives payments based on earnings or profits from any gambling game, including any slot machine, without having first procured a state gaming license.

2. The provisions of subsection 1 do not apply to any person:

(a) Whose payments are a fixed sum determined in advance on a bona fide basis for the furnishing of services or property other than a slot machine.

(b) Who furnishes services or property under a bona fide rental agreement or security agreement for gaming equipment.

(c) That is a wholly owned subsidiary of:

(1) A corporation, limited partnership or limited-liability company holding a state gaming license; or

(2) A holding company or intermediary company, or publicly traded corporation, that has registered pursuant to NRS 463.585 or 463.635 and which has fully complied with the laws applicable to it.

(d) Who is licensed as a distributor and who rents or leases any equipment of any gambling game, including any slot machine, under a bona fide agreement where the payments are a fixed sum determined in advance and not determined as a percentage of the revenue derived from the equipment or slot machine.

3. The Commission may, upon the issuance of its approval or a finding of suitability, exempt a holding company from the licensing requirements of subsection 1.

4. The Board may require any person exempted by the provisions of subsection 2 or paragraph (b) of subsection 1 to provide such information as it may require to perform its investigative duties.

5. The Board and the Commission may require a finding of suitability or the licensing of any person who:

(d) Operates a call center within this State as an agent of a licensed race book or sports pool in this State in accordance with the regulations adopted by the Commission.

(e) Has invented, has developed or owns the intellectual property rights to a game for which approval by the Commission is being sought or has been received in accordance with the regulations adopted by the Commission.

6. If the Commission finds a person described in subsection 5 unsuitable, a licensee shall not enter into any contract or agreement with that person without the prior approval of the Commission. Any other agreement between the licensee and that person must be terminated upon receipt of notice of the action by the Commission. Any agreement between a licensee and a person described in subsection 5 shall be deemed to include a provision for its termination without liability on the part of the licensee upon a finding by the Commission that the person is unsuitable. Failure expressly to include that condition in the agreement is not a defense in any action brought pursuant to this section to terminate the agreement. If the application is not presented to the Board within 30 days after demand, the Commission may pursue any remedy or combination of remedies provided in this chapter.

(Added to NRS by 1981, 1069; A 1987, 323; 1989, 403; 1991, 798; 1993, 1996; 2009, 278)

NRS 463.169 Registration or licensing of person conducting certain tournaments or contests in association with gaming licensee; termination of association.

1. A person shall not receive any consideration, direct or indirect, for conducting a tournament or contest on behalf of or in conjunction with a gaming licensee:

(a) Which involves a sporting event upon which wagers may be accepted or racing held at a track which uses the pari-mutuel system of wagering or gaming;

(b) In which persons pay a fee for the privilege of participating; and

(c) In which prizes are awarded to winners,

□ unless the person has registered with the Board in the manner prescribed by the Board and supplied such information as the Commission requires or unless the person is an officer or employee of the licensee.

2. Any person who conducts a tournament or contest on behalf of or in conjunction with a gaming licensee may be required by the Commission to be licensed by it as well as registered with the Board. Any person so required must apply for a license within 30 days after the decision of the Commission requiring the person to obtain the license.

3. If any person required to be licensed pursuant to subsection 2:

(a) Does not apply for a license within 30 days after the decision of the Commission that the person must be licensed, and the Commission finds the person unsuitable for that reason; or

(b) Is denied a license,

□ the gaming licensee with whom the person is associated shall terminate that association upon notification from the Commission by registered or certified mail of its action.

(Added to NRS by 1985, 2134)

NRS 463.245 Single establishment not to contain more than one licensed operation; exceptions; certain agreements for sharing of revenue prohibited.

1. Except as otherwise provided in this section:

(a) All licenses issued to the same person, including a wholly owned subsidiary of that person, for the operation of any game, including a sports pool or race book, which authorize gaming at the same establishment must be merged into a single gaming license.

(b) A gaming license may not be issued to any person if the issuance would result in more than one licensed operation at a single establishment, whether or not the profits or revenue from gaming are shared between the licensed operations.

2. A person who has been issued a nonrestricted gaming license for an operation described in subsection 1, 2 or 5 of NRS 463.0177 may establish a sports pool or race book on the premises of the establishment only after obtaining permission from the Commission.

3. A person who has been issued a license to operate a sports pool or race book at an establishment may be issued a license to operate a sports pool or race book at a second establishment described in subsection 1 or 2 of NRS 463.0177 only if the second establishment is operated by a person who has been issued a nonrestricted license for that establishment. A person who has been issued a license to operate a race book or sports pool at an establishment is prohibited from operating a race book or sports pool at:

(a) An establishment for which a restricted license has been granted; or

(b) An establishment at which only a nonrestricted license has been granted for an operation described in subsection 3 or 4 of NRS 463.0177.

4. A person who has been issued a license to operate a race book or sports pool shall not enter into an agreement for the sharing of revenue from the operation of the race book or sports pool with another person in consideration for the offering, placing or maintaining of a kiosk or other similar device not physically located on the licensed premises of the race book or sports pool, except:

(a) An affiliated licensed race book or sports pool; or

(b) The licensee of an establishment at which the race book or sports pool holds or obtains a license to operate pursuant to this section.

□ This subsection does not prohibit an operator of a race book or sports pool from entering into an agreement with another person for the provision of shared services relating to advertising or marketing.

5. Nothing in this section limits or prohibits an operator of an inter-casino linked system from placing and operating such a system on the premises of two or more gaming licensees and receiving, either directly or indirectly, any compensation or any percentage or share of the money or property played from the linked games in accordance with the provisions of this chapter and the regulations adopted by the Commission. An inter-casino linked system must not be used to link games other than slot machines, unless such games are located at an establishment that is licensed for games other than slot machines.

6. For the purposes of this section, the operation of a race book or sports pool includes making the premises available for any of the following purposes:

(a) Allowing patrons to establish an account for wagering with the race book or sports pool;

(b) Accepting wagers from patrons;

(c) Allowing patrons to place wagers;

(d) Paying winning wagers to patrons; or

(e) Allowing patrons to withdraw cash from an account for wagering or to be issued a ticket, receipt, representation of value or other credit representing a withdrawal from an account for wagering that can be redeemed for cash,

□ whether by a transaction in person at an establishment or through mechanical means such as a kiosk or other similar device, regardless of whether that device would otherwise be considered associated equipment.

7. The provisions of this section do not apply to a license to operate a mobile gaming system or to operate interactive gaming.

(Added to NRS by 1981, 374; A 1985, 2138; 1989, 1096; 1991, 378; 1995, 759; 1999, 953; 2001, 3081; 2005, 718; 2013, 2155, 3318)

NRS 463.350 Gaming or employment in gaming prohibited for persons under 21.

1. A person under the age of 21 years shall not:

(a) Play, be allowed to play, place wagers at, or collect winnings from, whether personally or through an agent, any gambling game, slot machine, race book, sports pool or pari-mutuel operator.

(b) Loiter, or be permitted to loiter, in or about any room or premises wherein any licensed game, race book, sports pool or pari-mutuel wagering is operated or conducted.

(c) Be employed as a gaming employee except in a counting room.

2. Any licensee, employee, dealer or other person who violates or permits the violation of any of the provisions of this section and any person, under 21 years of age, who violates any of the provisions of this section is guilty of a misdemeanor.

3. In any prosecution or other proceeding for the violation of any of the provisions of this section, it is no excuse for the licensee, employee, dealer or other person to plead that he or she believed the person to be 21 years old or over.

[35:429:1955] — (NRS A 1979, 788; 1981, 1088; 1985, 2139; 1989, 489; 1991, 652)

NRS 463.360 Penalties.

1. Conviction by a court of competent jurisdiction of a person for a violation of, an attempt to violate, or a conspiracy to violate any of the provisions of this chapter or of chapter 463B, 464 or 465 of NRS may act as an immediate revocation of all licenses which have been issued to the violator, and, in addition, the court may, upon application of the district attorney of the county or of the Commission, order that no new or additional license under this chapter be issued to the violator, or be issued to any person for the room or premises in which the violation occurred, for 1 year after the date of the revocation.

2. A person who willfully fails to report, pay or truthfully account for and pay over any license fee or tax imposed by the provisions of this chapter, or willfully attempts in any manner to evade or defeat any such license fee, tax or payment thereof is guilty of a category C felony and shall be punished as provided in NRS 193.130. In addition to any other penalty, the court shall order the person to pay restitution.

3. Except as otherwise provided in subsection 4, a person who willfully violates, attempts to violate, or conspires to violate any of the provisions of subsection 1 of NRS 463.160 or NRS 463.800 is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years, by a fine of not more than $50,000, or by both fine and imprisonment.

6. The violation of any of the provisions of this chapter, the penalty for which is not specifically fixed in this chapter, is a gross misdemeanor.

[36:429:1955] — (NRS A 1959, 452; 1967, 587, 1119; 1979, 1016; 1981, 1088; 1985, 1300; 1995, 1294; 2015, 1820)

NRS 463.362 Resolution of disputes.

1. Whenever a patron and a licensee, or any person acting on behalf of or in conjunction with a licensee, have any dispute which cannot be resolved to the satisfaction of the patron and which involves:

(a) Alleged winnings, alleged losses or the award or distribution of cash, prizes, benefits, tickets or any other item or items in a game, tournament, contest, drawing, promotion or similar activity or event; or

(b) The manner in which a game, tournament, contest, drawing, promotion or similar activity or event is conducted,

Ê the licensee is responsible for notifying the Board or patron in accordance with the provisions of subsection 2, regardless of whether the licensee is directly or indirectly involved in the dispute.

2. Whenever a dispute described in subsection 1 involves:

(a) At least $500, the licensee shall immediately notify the Board; or

(b) Less than $500, the licensee shall notify the patron of the patron's right to request that the Board conduct an investigation.

3. Upon being notified of a dispute, the Board, through an agent, shall conduct whatever investigation it deems necessary and shall determine whether payment should be made. The agent of the Board shall mail written notice to the Board, the licensee and the patron of the agent's decision resolving the dispute within 45 days after the date the Board first receives notification from the licensee or a request to conduct an investigation from the patron. The failure of the agent to mail notice of the agent's decision within the time required by this subsection does not divest the Board of its exclusive jurisdiction over the dispute.

4. Failure of the licensee to notify the Board or patron as provided in subsection 2 is grounds for disciplinary action pursuant to NRS 463.310 to 463.3145, inclusive.

5. The decision of the agent of the Board is effective on the date the aggrieved party receives notice of the decision. Notice of the decision shall be deemed sufficient if it is mailed to the last known address of the licensee and patron. The date of mailing may be proven by a certificate signed by an officer or

employee of the Board which specifies the time the notice was mailed. The notice shall be deemed to have been received by the licensee or the patron 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

(Added to NRS by 1983, 1846; A 1985, 1797; 1987, 188; 1989, 1264; 1991, 929, 2146; 1995, 1498; 2007, 1112; 2009, 286)

FEES FOR STATE AND COUNTY GAMING LICENSES

NRS 463.380 Annual fee for state license based on number of games operated.

1. In addition to any other state gaming license fees provided for in this chapter, the Commission shall, before issuing a state gaming license, charge and collect in advance from each applicant a license fee to be determined on the following basis:

(a) Those establishments operating or to operate one game, the sum of $100.

(b) Those establishments operating or to operate two games, the sum of $200.

(c) Those establishments operating or to operate three games, the sum of $400.

(d) Those establishments operating or to operate four games, the sum of $750.

(e) Those establishments operating or to operate five games, the sum of $1,750.

(f) Those establishments operating or to operate six or seven games, the sum of $3,000.

(g) Those establishments operating or to operate 8, 9 or 10 games, the sum of $6,000.

(h) Those establishments operating or to operate 11, 12 or 13 games, the sum of $650 for each game so operating or to operate.

(i) Those establishments operating or to operate 14, 15 or 16 games, the sum of $1,000 for each game so operating or to operate.

(j) Those establishments operating or to operate more than 16 games, the sum of $1,000 for each game to and including 16 games and the sum of $200 for each game in excess of 16 games so operating or to operate.

2. In computing the number of games operated or to be operated by an applicant under this section, a license authorizing the receiving of bets or wagers on races held at a track which uses the pari-mutuel system of wagering located outside of the State of Nevada, or on sporting events by any system or method of wagering other than the system known as the pari-mutuel method of wagering, shall be deemed a game within the meaning of this section.

3. All licenses must be issued for the calendar year beginning January 1 and expiring December 31. If the operation of the licensee is continuing, the Commission shall charge and collect the fee prescribed in subsection 1 on or before December 31 for the ensuing calendar year. If the operation is new or has been temporarily closed with the approval of the Board, the Commission shall prorate the license fee on a monthly basis. If any licensee desires to enlarge the licensee's operations during the calendar year, the licensee must, after the licensee's application is approved, be charged the full annual fees for the number of games for which the licensee desires a license under this section, and is entitled to credit thereon for the annual fee the licensee may have previously paid under this section for the same calendar year for a lesser number of games.

4. Card games, that is, stud or draw poker, bridge, whist, solo, low ball, and panguingui for money, and slot machines, when not utilized as an adjunct to or a unit of any banking, percentage or mechanical device or machine, are not gambling games under the provisions of this section.

5. All games operated or conducted in one room or a group of rooms in the same or a contiguous building are considered one operation under this section, and the license to be paid must be determined on the aggregate number of games in each room or group of rooms in the same or a contiguous building.

6. Except as otherwise provided in this section and NRS 463.386, the amount of the fee specified in subsection 1 must not be prorated.

[Part 10ee:99:1931; added 1947, 734; A 1949, 114; 1955, 760] — (NRS A 1957, 783; 1959, 453; 1965, 1035; 1967, 181, 675, 887; 1969, 189; 1975, 690; 1979, 1016; 1981, 1093; 1987, 632, 2261)

NRS 463.383 Quarterly fee for state license based on number of games operated.

1. In addition to any other state gaming license fees provided for in this chapter, the Commission shall, before issuing a state gaming license, charge and collect from each applicant a quarterly license fee to be determined on the basis of the following annual rates:

(a) From establishments operating or to operate 10 games or less:

(1) Those establishments operating or to operate one game, the sum of $50.

(2) Those establishments operating or to operate two games, the sum of $100.

(3) Those establishments operating or to operate three games, the sum of $200.

(4) Those establishments operating or to operate four games, the sum of $375.

(5) Those establishments operating or to operate five games, the sum of $875.

(6) Those establishments operating or to operate six or seven games, the sum of $1,500.

(7) Those establishments operating or to operate 8, 9 or 10 games, the sum of $3,000.

(b) From establishments operating or to operate more than 10 games:

(1) For each game up to and including 16 games, the sum of $500.

(2) For each game from 17 to 26 games, inclusive, the sum of $4,800.

(3) For each game from 27 to 35 games, inclusive, the sum of $2,800.

(4) For each game more than 35 games, the sum of $100.

2. The Commission shall charge and collect the fee prescribed in subsection 1, at the rate of one-fourth of the prescribed annual rate for each calendar quarter:

(a) On or before the last day of the last month in a calendar quarter, for the ensuing calendar quarter, from a licensee whose operation is continuing.

(b) In advance from a licensee who begins operation or puts additional games into play during a calendar quarter.

3. Except as otherwise provided in NRS 463.386, no proration of the quarterly amount prescribed in subsection 2 may be allowed for any reason.

4. In computing the number of games operated or to be operated by an applicant under this section, a license authorizing the receiving of bets or wagers on races held at a track which uses the pari-mutuel system of wagering located outside of the State of Nevada or on sporting events by any system or method of wagering other than the system known as the pari-mutuel method of wagering, shall be deemed a game within the meaning of this section.

5. Card games, that is, stud or draw poker, bridge, whist, solo, low ball, and panguingui for money, and slot machines, when not utilized as an adjunct to or a unit of any banking, percentage or mechanical device or machine, are not gambling games under the provisions of this section.

6. All games operated or conducted in one room or a group of rooms in the same or a contiguous building are considered one operation and the license to be paid must be determined on the aggregate number of games in each room or group of rooms in the same or a contiguous building.

(Added to NRS by 1967, 883; A 1969, 191; 1973, 390; 1975, 691; 1979, 1018; 1981, 1094; 1987, 633)

DISSEMINATION OF LIVE BROADCASTS FOR RACING

NRS 463.4218 "User" defined. "User" means an operator of a race book, sports pool or gambling game who is licensed in this state and receives and displays a live broadcast within this state and uses information contained in the broadcast to determine winners of or payoffs on wagers the operator accepts.

(Added to NRS by 1987, 1779)

DISSEMINATION AND BROADCAST OF INFORMATION CONCERNING RACING

NRS 463.440 Regulation and control of dissemination of information: Public policy of State; power of Commission; regulations.

1. In addition to the state policy concerning gaming as set forth in NRS 463.0129, the Legislature hereby finds, and declares to be the public policy of this state concerning activities and information related to wagering on races held at a track which uses the pari-mutuel system of wagering that:

(a) All persons licensed to operate and maintain a sports pool or race book are entitled to receive on a fair and equitable basis all information concerning such racing that is being disseminated into and within this state.

(b) In order to protect the health, safety, morals, good order and general welfare of the public, all persons, associations, locations, practices and activities related to the dissemination and use of information concerning such racing should be controlled, supervised and properly licensed.

2. In accordance with reasonable regulations which may be adopted, amended or repealed by the Commission, the Commission has the power and jurisdiction:

(a) To regulate and control the business of supplying and disseminating information by such means concerning racing held at a track which uses the pari-mutuel system of wagering.

(b) To issue, condition, limit and restrict licenses to such disseminators.

(c) To suspend, revoke, condition or limit such licenses or impose fines in accordance with NRS 463.310.

(d) To prescribe the manner, terms and conditions for receiving, supplying or disseminating in this state information concerning such racing.

3. The Commission is empowered to adopt, amend and repeal such regulations as may be necessary for the orderly administration of NRS 463.430 to 463.480, inclusive, and for the protection of the public and in the public interest.

[2:152:1949; 1943 NCL § 6227.02] — (NRS A 1959, 455; 1983, 1036; 1985, 2141)

HOSTING CENTERS

NRS 463.673 Legislative findings; regulations.

1. The Legislature finds that:

(a) To protect and promote the health, safety, morals, good order and general welfare of the inhabitants of this State, and to carry out the public policy declared in NRS 463.0129, it is necessary that the Board and Commission be allowed to react to rapidly evolving technological advances while maintaining strict regulation and control of gaming.

(b) Technological advances have evolved which allow certain parts of games, gaming devices, cashless wagering systems and race book and sports pool operations to be conducted at locations that are not on the premises of a licensed gaming establishment.

2. Except as otherwise provided in subsection 3, the Commission may, with the advice and assistance of the Board, provide by regulation for the operation and registration of hosting centers and persons associated therewith. Such regulations may include:

(a) Provisions relating to the operation and location of hosting centers, including, without limitation, minimum internal and operational control standards established by the Commission.

(b) Provisions relating to the registration of persons owning or operating a hosting center and any persons having a significant involvement with a hosting center, as determined by the Commission.

(c) A provision that a person owning, operating or having a significant involvement with a hosting center may be required by the Commission to be found suitable to be associated with licensed gaming, including race book or sports pool operations.

(d) Additional matters which the Commission deems necessary and appropriate to carry out the provisions of this section and which are consistent with the public policy of this State pursuant to NRS 463.0129.

3. The Commission may not adopt regulations pursuant to this section until the Commission first determines that hosting centers are secure and reliable, do not pose a threat to the integrity of gaming and are consistent with the public policy of this State pursuant to NRS 463.0129.

4. Regulations adopted by the Commission pursuant to this section must:

(a) Define "hosting center."

(b) Provide that the premises on which the hosting center is located are subject to the power and authority of the Board and Commission pursuant to NRS 463.140, as though the premises are where gaming is conducted and the hosting center is a gaming licensee.

(Added to NRS by 2011, 203)

NRS 463.677 Legislative findings; regulations.

1. The Legislature finds that:

(a) Technological advances have evolved which allow licensed gaming establishments to expose games, including, without limitation, system-based and system-supported games, gaming devices, mobile gaming systems, interactive gaming, cashless wagering systems or race books and sports pools, and to

be assisted by a service provider who provides important services to the public with regard to the conduct and exposure of such games.

(b) To protect and promote the health, safety, morals, good order and general welfare of the inhabitants of this State, and to carry out the public policy declared in NRS 463.0129, it is necessary that the Board and Commission have the ability to license service providers by maintaining strict regulation and control of the operation of such service providers and all persons and locations associated therewith.

2. Except as otherwise provided in subsection 3, the Commission may, with the advice and assistance of the Board, provide by regulation for the licensing and operation of a service provider and all persons, locations and matters associated therewith. Such regulations may include, without limitation:

(a) Provisions requiring the service provider to meet the qualifications for licensing pursuant to NRS 463.170, in addition to any other qualifications established by the Commission, and to be licensed regardless of whether the service provider holds any other license.

(b) Criteria regarding the location from which the service provider conducts its operations, including, without limitation, minimum internal and operational control standards established by the Commission.

(c) Provisions relating to the licensing of persons owning or operating a service provider, and any persons having a significant involvement therewith, as determined by the Commission.

(d) A provision that a person owning, operating or having significant involvement with a service provider, as determined by the Commission, may be required by the Commission to be found suitable to be associated with licensed gaming, including race book or sports pool operations.

(e) Additional matters which the Commission deems necessary and appropriate to carry out the provisions of this section and which are consistent with the public policy of this State pursuant to NRS 463.0129, including that a service provider must be liable to the licensee on whose behalf the services are provided for the service provider's proportionate share of the fees and taxes paid by the licensee.

3. The Commission may not adopt regulations pursuant to this section until the Commission first determines that service providers are secure and reliable, do not pose a threat to the integrity of gaming and are consistent with the public policy of this State pursuant to NRS 463.0129.

4. Regulations adopted by the Commission pursuant to this section must provide that the premises on which a service provider conducts its operations are subject to the power and authority of the Board and Commission pursuant to NRS 463.140, as though the premises are where gaming is conducted and the service provider is a gaming licensee.

5. As used in this section:

(a) "Interactive gaming service provider" means a person who acts on behalf of an establishment licensed to operate interactive gaming and:

(1) Manages, administers or controls wagers that are initiated, received or made on an interactive gaming system;

(2) Manages, administers or controls the games with which wagers that are initiated, received or made on an interactive gaming system are associated;

(3) Maintains or operates the software or hardware of an interactive gaming system; or

(4) Provides products, services, information or assets to an establishment licensed to operate interactive gaming and receives therefor a percentage of gaming revenue from the establishment's interactive gaming system.

(b) "Service provider" means a person who:

(1) Acts on behalf of another licensed person who conducts nonrestricted gaming operations, and who assists, manages, administers or controls wagers or games, or maintains or operates the software or hardware of games on behalf of such a licensed person, and is authorized to share in the revenue from games without being licensed to conduct gaming at an establishment;

(2) Is an interactive gaming service provider;

(3) Is a cash access and wagering instrument service provider; or

(4) Meets such other or additional criteria as the Commission may establish by regulation.

(Added to NRS by 2011, 203; A 2015, 1489)

INTERACTIVE GAMING

NRS 463.750 License required for person to operate interactive gaming, to manufacture interactive gaming systems or to act as service provider; powers and duties of Commission; regulations; conditions; limitations; penalty.

1. The Commission shall, with the advice and assistance of the Board, adopt regulations governing the licensing and operation of interactive gaming.

2. The regulations adopted by the Commission pursuant to this section must:

(a) Establish the investigation fees for:

(1) A license to operate interactive gaming;

(2) A license for a manufacturer of interactive gaming systems; and

(3) A license for a service provider to perform the actions described in paragraph (a) of subsection 5 of NRS 463.677.

(b) Provide that:

(1) A person must hold a license for a manufacturer of interactive gaming systems to supply or provide any interactive gaming system, including, without limitation, any piece of proprietary software or hardware; and

(2) A person must hold a license for a service provider to perform the actions described in paragraph (a) of subsection 5 of NRS 463.677.

(c) Except as otherwise provided in subsections 6 to 10, inclusive, set forth standards for the suitability of a person to be licensed as a manufacturer of interactive gaming systems or a service provider as described in paragraph (b) of subsection 5 of NRS 463.677 that are as stringent as the standards for a nonrestricted license.

(d) Set forth provisions governing:

(1) The initial fee for a license for a service provider as described in paragraph (b) of subsection 5 of NRS 463.677.

(2) The fee for the renewal of such a license for such a service provider and any renewal requirements for such a license.

(3) Any portion of the license fee paid by a person licensed to operate interactive gaming, pursuant to subsection 1 of NRS 463.770, for which a service provider may be liable to the person licensed to operate interactive gaming.

(e) Provide that gross revenue received by an establishment from the operation of interactive gaming is subject to the same license fee provisions of NRS 463.370 as the games and gaming devices of the establishment, unless federal law otherwise provides for a similar fee or tax.

(f) Set forth standards for the location and security of the computer system and for approval of hardware and software used in connection with interactive gaming.

(g) Define "interactive gaming system," "manufacturer of interactive gaming systems," "operate interactive gaming" and "proprietary hardware and software" as the terms are used in this chapter.

3. Except as otherwise provided in subsections 4 and 5, the Commission shall not approve a license for an establishment to operate interactive gaming unless:

(a) In a county whose population is 700,000 or more, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices.

(b) In a county whose population is 45,000 or more but less than 700,000, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices or the establishment:

(1) Holds a nonrestricted license for the operation of games and gaming devices;

(2) Has more than 120 rooms available for sleeping accommodations in the same county;

(3) Has at least one bar with permanent seating capacity for more than 30 patrons that serves alcoholic beverages sold by the drink for consumption on the premises;

(4) Has at least one restaurant with permanent seating capacity for more than 60 patrons that is open to the public 24 hours each day and 7 days each week; and

(5) Has a gaming area that is at least 18,000 square feet in area with at least 1,600 slot machines, 40 table games, and a sports book and race pool.

(c) In all other counties, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices or the establishment:

(1) Has held a nonrestricted license for the operation of games and gaming devices for at least 5 years before the date of its application for a license to operate interactive gaming;

(2) Meets the definition of group 1 licensee as set forth in the regulations of the Commission on the date of its application for a license to operate interactive gaming; and

(3) Operates either:

(I) More than 50 rooms for sleeping accommodations in connection therewith; or

(II) More than 50 gaming devices in connection therewith.

4. The Commission may:

(a) Issue a license to operate interactive gaming to an affiliate of an establishment if:

(1) The establishment satisfies the applicable requirements set forth in subsection 3;

(2) The affiliate is located in the same county as the establishment; and

(3) The establishment has held a nonrestricted license for at least 5 years before the date on which the application is filed; and

(b) Require an affiliate that receives a license pursuant to this subsection to comply with any applicable provision of this chapter.

5. The Commission may issue a license to operate interactive gaming to an applicant that meets any qualifications established by federal law regulating the licensure of interactive gaming.

6. Except as otherwise provided in subsections 7, 8 and 9:

(a) A covered person may not be found suitable for licensure under this section within 5 years after February 21, 2013;

(b) A covered person may not be found suitable for licensure under this section unless such covered person expressly submits to the jurisdiction of the United States and of each state in which patrons of interactive gaming operated by such covered person after December 31, 2006, were located, and agrees to waive any statutes of limitation, equitable remedies or laches that otherwise would preclude prosecution for a violation of any provision of federal law or the law of any state in connection with such operation of interactive gaming after that date;

(c) A person may not be found suitable for licensure under this section within 5 years after February 21, 2013, if such person uses a covered asset for the operation of interactive gaming; and

(d) Use of a covered asset is grounds for revocation of an interactive gaming license, or a finding of suitability, issued under this section.

7. The Commission, upon recommendation of the Board, may waive the requirements of subsection 6 if the Commission determines that:

(a) In the case of a covered person described in paragraphs (a) and (b) of subsection 1 of NRS 463.014645:

(1) The covered person did not violate, directly or indirectly, any provision of federal law or the law of any state in connection with the ownership and operation of, or provision of services to, an interactive gaming facility that, after December 31, 2006, operated interactive gaming involving patrons located in the United States; and

(2) The assets to be used or that are being used by such person were not used after that date in violation of any provision of federal law or the law of any state;

(b) In the case of a covered person described in paragraph (c) of subsection 1 of NRS 463.014645, the assets that the person will use in connection with interactive gaming for which the covered person applies for a finding of suitability were not used after December 31, 2006, in violation of any provision of federal law or the law of any state; and

(c) In the case of a covered asset, the asset was not used after December 31, 2006, in violation of any provision of federal law or the law of any state, and the interactive gaming facility in connection with which the asset was used was not used after that date in violation of any provision of federal law or the law of any state.

8. With respect to a person applying for a waiver pursuant to subsection 7, the Commission shall afford the person an opportunity to be heard and present relevant evidence. The Commission shall act as finder of fact and is entitled to evaluate the credibility of witnesses and persuasiveness of the evidence. The affirmative votes of a majority of the whole Commission are required to grant or deny such waiver. The Board shall make appropriate investigations to determine any facts or recommendations that it deems necessary or proper to aid the Commission in making determinations pursuant to this subsection and subsection 7.

9. The Commission shall make a determination pursuant to subsections 7 and 8 with respect to a covered person or covered asset without regard to whether the conduct of the covered person or the use of the covered asset was ever the subject of a criminal proceeding for a violation of any provision of federal law or the law of any state, or whether the person has been prosecuted and the prosecution terminated in a manner other than with a conviction.

10. It is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others, to operate interactive gaming:

(a) Until the Commission adopts regulations pursuant to this section; and

(b) Unless the person first procures, and thereafter maintains in effect, all appropriate licenses as required by the regulations adopted by the Commission pursuant to this section.

11. A person who violates subsection 10 is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years or by a fine of not more than $50,000, or both.

(Added to NRS by 2001, 3076; A 2011, 213, 1283, 1669; 2013, 4; 2015, 1490)

NRS 463.800 Requirements; records of business entity; prohibited acts; regulations.

1. A race book or sports pool may accept wagers from a business entity if the business entity has established a wagering account with the race book or sports pool and provided the information required pursuant to subsection 2. The business entity shall:

(a) Be deemed to be a patron for the purposes of this chapter and chapter 465 of NRS.

(b) Place wagers in compliance with all applicable state and federal laws.

2. A business entity that wishes to establish a wagering account with a race book or sports pool shall provide to the race book or sports pool:

(a) The name, residential address, copy of a valid photo identification which evidences that the person is at least 21 years of age, and social security number or individual taxpayer identification number, of each of the business entity's equity owners, holders of indebtedness, directors, officers, managers and partners, anyone entitled to payments based on the profits or revenues and any designated individuals;

(b) The business entity's formation documents and all filings with the Secretary of State pursuant to title 7 of NRS;

(c) Any other documentation or information the Commission may require; and

(d) Any other documentation or information the race book or sports pool may require.

3. A business entity shall update the information provided pursuant to subsection 2 within 5 business days after any change in the information or status.

4. A business entity shall:

(a) In addition to the books and records required by law to be kept in this State, keep in this State originals or copies of the records received from the race book or sports pool for all wagers placed;

(b) Maintain an account in this State with a bank or other financial institution having a principal office, branch or agency located in this State, from which it shall transfer and receive all money used in wagering with an operator of a race book or sports pool; and

(c) Make any records pursuant to this subsection available for review by the Board or its agents.

5. Notwithstanding the provisions of NRS 463.350, a race book or sports pool may accept wagers from a designated individual of a business entity which has established a wagering account with the race book or sports pool.

6. A business entity and any designated individual that places a wager with a race book or sports pool pursuant to this section must not be considered to be engaged in the unlawful accepting or facilitating of any bet or wager.

7. It is unlawful for any person either solely or in conjunction with others:

(a) To knowingly pay or distribute profits or any compensation to a designated individual or equity owner who is not disclosed to the race book or sports pool pursuant to subsection 2;

(b) To knowingly pay or distribute a percentage of revenue derived from the wagering activity of a business entity to a person who is not disclosed to the race book or sports pool pursuant to subsection 2;

(c) To wager with money received from a person who is not disclosed to the race book or sports pool pursuant to subsection 2;

(d) To place a wager on behalf of a person who is not disclosed to the race book or sports pool pursuant to subsection 2; or

(e) To knowingly submit any false information as required by this section.

8. The Commission may, with the advice and assistance of the Board, adopt regulations as it deems necessary to carry out the provisions of this section.

9. As used in this section:

(a) "Business entity" means an entity organized and existing under the laws of this State.

(b) "Designated individual" means a person listed as an officer, director, partner or manager of a business entity in the business entity's filings with the Secretary of State pursuant to title 7 of NRS, and any other natural person authorized by the business entity in writing to place wagers.

(Added to NRS by 2015, 1819)

GLOBAL RISK MANAGEMENT

NRS 463.810 "Global risk management" defined.

1. As used in this section and NRS 463.820, unless the context otherwise requires, "global risk management" means the operation, by a person who has been issued a license to operate a race book or sports pool, of risk management services between and among permissible jurisdictions through communications technology for the purposes of providing the management, or consultation or instruction in the management, of wagering pools and the transmission of information relating to wagering pools or other similar information. The term:

(a) Includes, without limitation:

(1) The management of risks associated with a wagering pool for a race or sporting event or any other event for which a wager may be accepted.

(2) The setting or changing of bets or wagers, cutoff times for bets or wagers, acceptance or rejection of bets or wagers, pooling or laying off of bets or wagers, lines, point spreads, odds or other activity relating to betting or wagering.

(3) The use, transmittal and accumulation of information and data for the purpose of providing risk management services.

(b) Does not include:

(1) The transmission or placement of a bet or wager for a race or sporting event or any other event for which a wager may be accepted between or among permissible jurisdictions.

(2) The provision of any information service, as defined by NRS 463.01642.

2. As used in this section:

(a) "Communications technology" has the meaning ascribed to it in NRS 463.016425.

(b) "Permissible jurisdiction" means any jurisdiction in which global risk management or the betting or wagering on a race or sporting event is lawful or not otherwise expressly prohibited under the laws of that jurisdiction.

(c) "Wagering pool" means a pool or a combination of multiple pools for the placement of bets or wagers for a race or sporting event or any other event for which a wager may be accepted and which is located in a permissible jurisdiction.

(Added to NRS by 2015, 1822)

NRS 463.820 Regulations.

The Commission shall, with the advice and assistance of the Board, adopt regulations for global risk management. The regulations adopted by the Commission pursuant to this section may include, without limitation:

1. Provisions which establish minimum internal and operational control standards for global risk management; and

2. Any additional provisions which the Commission deems necessary and appropriate to carry out the provisions of this section and which are consistent with the public policy of this State pursuant to NRS 463.0129.

(Added to NRS by 2015, 1822)

CHAPTER 464 - PARI-MUTUEL WAGERING

NRS 464.005 Definitions.

NRS 464.005 Definitions. As used in this chapter, unless the context otherwise requires:

1. "Gross revenue" means the amount of the commission received by a licensee that is deducted from off-track pari-mutuel wagering, plus breakage and the face amount of unpaid winning tickets that remain unpaid for a period specified by the Nevada Gaming Commission.
2. "Off-track pari-mutuel system" means a computerized system, or component of such a system, that is used with regard to a pari-mutuel pool to transmit information such as amounts wagered, odds and payoffs on races.
3. "Off-track pari-mutuel wagering" means any pari-mutuel system of wagering approved by the Nevada Gaming Commission for the acceptance of wagers on:
(a) Horse or dog races which take place outside of this state; or
(b) Sporting events.
4. "Operator of a system" means a person engaged in providing an off-track pari-mutuel system.
5. "Pari-mutuel system of wagering" means any system whereby wagers with respect to the outcome of a race or sporting event are placed in a wagering pool conducted by a person licensed or otherwise permitted to do so under state law, and in which the participants are wagering with each other and not against that person. The term includes off-track pari-mutuel wagering.
(Added to NRS by 1983, 1891; A 1985, 518; 1987, 634; 1991, 1845; 1993, 2049; 1995, 1501; 1997, 3509; 2009, 2429)

NRS 464.010 Licenses required.

1. It is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to operate, carry on, conduct or maintain in this state, any form of wagering under the pari-mutuel system on any racing or sporting event without having first procured and maintained all required federal, state, county and municipal licenses.
2. It is unlawful for any person to function as an operator of a system without having first obtained a state gaming license.
3. Where any other state license is required to conduct a racing or sporting event, that license must first be procured before the pari-mutuel system of wagering may be licensed in connection therewith.
[1:231:1949; 1943 NCL § 6226.01] + [Part 10:231:1949; 1943 NCL § 6226.10] — (NRS A 1965, 521; 1973, 463; 1981, 1102; 1983, 1892; 1991, 1845)

NRS 464.015 Fee for issuance or renewal of license; disposition.

1. In addition to any other fees imposed by law, the Nevada Gaming Commission shall charge and collect a fee of $500 from each applicant for the issuance or renewal of a license as an operator of a system. The fee must be charged and collected on or before December 31 for the ensuing calendar year.

2. Each such license must be issued for the calendar year and expires on December 31. The Nevada Gaming Commission shall not prorate the fee for a license that is issued for less than 1 year.

3. All fees collected pursuant to this section must be paid over immediately to the State Treasurer to be deposited to the credit of the State General Fund.

(Added to NRS by 1993, 315; A 1995, 208)

NRS 464.020 Administration by Nevada Gaming Commission: Issuance of licenses; times and places for wagering; regulations; authority and procedure for appointing Off-Track Pari-Mutuel Wagering Committee; inspection of books and records of licensees.

1. The Nevada Gaming Commission is charged with the administration of this chapter for the protection of the public and in the public interest.

2. The Nevada Gaming Commission may issue licenses permitting the conduct of the pari-mutuel system of wagering, including off-track pari-mutuel wagering, and may adopt, amend and repeal regulations relating to the conduct of such wagering.

3. The wagering must be conducted only by the licensee at the times determined by the Nevada Gaming Commission and only:

(a) Within the enclosure wherein the race or other sporting event which is the subject of the wagering occurs; or

(b) Within a licensed gaming establishment which has been approved to conduct off-track pari-mutuel wagering.

Ê This subsection does not prohibit a person licensed to accept, pursuant to regulations adopted by the Nevada Gaming Commission, off-track pari-mutuel wagers from accepting wagers made by wire communication from patrons within the State of Nevada, from other states in which such wagering is legal or from places outside the United States in which such wagering is legal.

4. The regulations of the Nevada Gaming Commission may include, without limitation:

(a) Requiring fingerprinting of an applicant or licensee, or other method of identification.

(b) Requiring information concerning an applicant's antecedents, habits and character.

(c) Prescribing the method and form of application which any applicant for a license issued pursuant to this chapter must follow and complete before consideration of the applicant's application by the Nevada Gaming Commission.

(d) Prescribing the permissible communications technology and requiring the implementation of border control technology that will ensure that a person cannot place a wager with a race book in this State from another state or another location where placing such a wager is illegal.

5. The Nevada Gaming Commission may appoint an Off-Track Pari-Mutuel Wagering Committee consisting of 11 persons who are licensed to engage in off-track pari-mutuel wagering. If the Commission appoints such a Committee, it shall appoint to the Committee:

(a) Five members from a list of nominees provided by the State Association of Gaming Establishments whose members collectively paid the most gross revenue fees to the State pursuant to NRS 463.370 in the preceding year;

(b) Three members who, in the preceding year, paid gross revenue fees pursuant to NRS 463.370 in an amount that was less than the average amount of gross revenue fees paid by licensees engaged in off-track pari-mutuel wagering in the preceding year; and

(c) Three other members.

Ê If a vacancy occurs in a position on the Committee for any reason, including, but not limited to, termination of a member, the Commission shall appoint a successor member who satisfies the same criteria in paragraph (a), (b) or (c) that applied to the member whose position has been vacated.

6. If the Nevada Gaming Commission appoints an Off-Track Pari-Mutuel Wagering Committee pursuant to subsection 5, the Commission shall:

(a) Grant to the Off-Track Pari-Mutuel Wagering Committee the exclusive right to negotiate an agreement relating to off-track pari-mutuel wagering with:

(1) A person who is licensed or otherwise permitted to operate a wagering pool in another state; and

(2) A person who is licensed pursuant to this chapter as an operator of a system.

(b) Require that any agreement negotiated by the Off-Track Pari-Mutuel Wagering Committee with a track relating to off-track pari-mutuel wagering must not set a different rate for intrastate wagers placed on the licensed premises of a race book and wagers placed through the use of communications technology.

(c) Require the Off-Track Pari-Mutuel Wagering Committee to grant to each person licensed pursuant to this chapter to operate an off-track pari-mutuel race pool the right to receive, on a fair and equitable basis, all services concerning wagering in such a race pool that the Committee has negotiated to bring into or provide within this State.

7. The Nevada Gaming Commission shall, and it is granted the power to, demand access to and inspect all books and records of any person licensed pursuant to this chapter pertaining to and affecting the subject of the license.

[2:231:1949; 1943 NCL § 6226.02] + [Part 7:231:1949; A 1951, 538; 1953, 701] — (NRS A 1959, 455; 1965, 521; 1973, 463; 1981, 1947; 1983, 1892; 1991, 2148; 1995, 1501; 1997, 3317; 2003, 3408; 2005, 722; 2009, 2430)

NRS 464.025 Regulations governing off-track pari-mutuel wagering; sharing of revenue; approval of Commission.

1. The Nevada Gaming Commission, upon the recommendation of the Nevada Gaming Control Board, may adopt regulations for:

(a) The conduct by a licensee of off-track pari-mutuel wagering on a race or sporting event; and

(b) The approval of the terms and conditions of any agreement between a licensee and an agency of the state in which the race or sporting event takes place or a person licensed or approved by that state to participate in the conduct of the race or sporting event or the pari-mutuel system of wagering thereon.

2. A person or governmental agency must not receive any commission or otherwise share in the revenue from the conduct of off-track pari-mutuel wagering in this state without the approval of the Nevada Gaming Commission. The Commission may approve any person or governmental agency after such investigation as the Nevada Gaming Control Board deems proper.

(Added to NRS by 1983, 1891; A 1991, 1080; 1993, 2049)

NRS 464.040 Limitations on amount and division of commissions; payment and disposition of taxes.

1. The total commission deducted from pari-mutuel wagering other than off-track pari-mutuel wagering by any licensee licensed pursuant to the provisions of this chapter must not exceed 18 percent of the gross amount of money handled in each pari-mutuel pool operated by the licensee during the period of the license.

2. The total commission deducted from off-track pari-mutuel wagering must be determined by the Nevada Gaming Commission and may be divided between the persons licensed or approved to participate in the conduct of the race or event or the pari-mutuel system of wagering thereon. Such licensure or approval must be obtained pursuant to this chapter or chapter 463 of NRS and pursuant to regulations which may be adopted by the Nevada Gaming Commission.

3. Except as otherwise provided in NRS 464.045 for off-track pari-mutuel wagering, each licensee shall pay to the Nevada Gaming Commission quarterly on or before the last day of the first month of the following quarter of operation for the use of the State of Nevada a tax at the rate of 3 percent on the total amount of money wagered on any race or sporting event.

4. The licensee may deduct odd cents less than 10 cents per dollar in paying bets.

5. Except as otherwise provided in NRS 464.045 for off-track pari-mutuel wagering, the amount paid to the Nevada Gaming Commission must be, after deducting costs of administration which must not exceed 5 percent of the amount collected, paid over by the Nevada Gaming Commission to the State Treasurer for deposit in the State General Fund.

[Part 7:231:1949; A 1951, 538; 1953, 701] — (NRS A 1959, 456; 1960, 185; 1965, 522; 1967, 721; 1973, 464; 1979, 464; 1981, 1103; 1983, 1893; 1987, 635; 1989, 710; 1991, 938, 2148; 1993, 2050)

NRS 464.045 Calculation of monthly state license fee to include gross revenue from off-track pari-mutuel wagering; calculation of gross revenue.

1. The provisions of subsections 3 and 5 of NRS 464.040 do not apply to persons licensed to conduct off-track pari-mutuel wagering.

2. A licensed gaming establishment is subject to the monthly state license fees and provisions of NRS 463.370 on all gross revenue attributable to the operation of an off-track pari-mutuel system of wagering.

3. In calculating the monthly state license fee imposed by NRS 463.370, a licensee shall not deduct from gross revenue any promotional allowances, including, without limitation, prizes, payments, premiums, drawings, discounts, rebates, bonus payouts, benefits or tickets that are redeemable for money or merchandise.

(Added to NRS by 1983, 1892; A 1987, 635; 1989, 710; 1991, 1080, 2149; 1997, 3509)

NRS 464.050 Place for conducting and public viewing of wagering.

A licensee conducting any form of pari-mutuel wagering provided for in this chapter shall provide a place or places in the meeting grounds or enclosure or the licensed gaming establishment which has been approved to conduct off-track pari-mutuel wagering:

1. At which the licensee may conduct, operate and supervise the wagering.
2. Where the progress of the betting and the odds paid may be open to public view.

[4:231:1949; 1943 NCL § 6226.04] — (NRS A 1965, 522; 1983, 1894)

NRS 464.060 Wagering outside enclosure or licensed establishment prohibited.

All other forms of wagering or betting on the results of any of the races or events licensed under this chapter outside the enclosure or establishment where the races, events or off-track pari-mutuel wagering are licensed by the Nevada Gaming Commission are illegal.

[5:231:1949; 1943 NCL § 6226.05] — (NRS A 1959, 457; 1983, 1894)

NRS 464.070 Limitation on wager by agent; off-track wagering by agent prohibited.

A pari-mutuel wager placed at the enclosure where the wagered race or event is conducted may be made by an agent if the principal is present on the premises. All off-track pari-mutuel wagering must be done by a principal.

[6:231:1949; 1943 NCL § 6226.06] — (NRS A 1983, 1894)

NRS 464.075 Altering value of wager for patron prohibited; regulations; exemptions.

1. Except as otherwise provided in subsection 4, a person who is licensed to engage in off-track pari-mutuel wagering shall not:

(a) Accept from a patron less than the full face value of an off-track pari-mutuel wager;

(b) Agree to refund or rebate to a patron any portion or percentage of the full face value of an off-track pari-mutuel wager; or

(c) Increase the payoff of, or pay a bonus on, a winning off-track pari-mutuel wager.

2. A person who is licensed to engage in off-track pari-mutuel wagering and who:

(a) Attempts to evade the provisions of subsection 1 by offering to a patron a wager that is not posted and offered to all patrons; or

(b) Otherwise violates the provisions of subsection 1,

Ê is subject to the investigatory and disciplinary proceedings that are set forth in NRS 463.310 to 463.318, inclusive, and shall be punished as provided in those sections.

3. The Nevada Gaming Commission shall adopt regulations to carry out the provisions of subsections 1 and 2 of this section.

4. The Nevada Gaming Commission may, by regulation, exempt certain bets, refunds, rebates, payoffs or bonuses from the provisions of subsection 1 if the Commission determines that such exemptions are in the best interests of the State of Nevada and licensed gaming in this state. Any bets, refunds, rebates, payoffs or bonuses that would result in the amount of such bets, refunds, rebates, payoffs or bonuses being directly or indirectly deductible from gross revenue may not be exempt.

(Added to NRS by 1997, 3316; A 2003, 3409)

NRS 464.080 Suspension or revocation of license: Hearing; judicial review.

1. All licenses granted under this chapter are subject to suspension or revocation by the Nevada Gaming Commission in any case where the Nevada Gaming Commission has reason to believe that any condition of its license has not been complied with or that any law or regulation of the Nevada Gaming Commission has been broken or violated.

2. No license may be revoked or suspended until after a hearing had by the Nevada Gaming Commission. Such a hearing must be initiated by the filing of a complaint by the Nevada Gaming Control Board and must be conducted in accordance with the provisions of NRS 463.312 to 463.3145, inclusive.

3. The action of the Nevada Gaming Commission in revoking or suspending a license issued under this chapter is subject to court review in accordance with the provisions of NRS 463.315 to 463.318, inclusive.

[8:231:1949; 1943 NCL § 6226.08] — (NRS A 1959, 457; 1983, 1568)

NRS 464.100 Penalty.

Except as otherwise provided in NRS 464.075, a violation of any of the provisions of this chapter or the regulations adopted pursuant to this chapter is a misdemeanor.

[9:231:1949; 1943 NCL § 6226.09] — (NRS A 1967, 587; 1997, 3318)

CHAPTER 465 - CRIMES AND LIABILITIES CONCERNING GAMING

Note: NRS 463.360 makes operating an unlicensed sports pool in Nevada a felony.

NRS 465.070 Fraudulent acts.

It is unlawful for any person:

1. To alter or misrepresent the outcome of a game or other event on which wagers have been made after the outcome is made sure but before it is revealed to the players.

2. To place, increase or decrease a bet or to determine the course of play after acquiring knowledge, not available to all players, of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a bet or determining the course of play contingent upon that event or outcome.

4. Knowingly to entice or induce another to go to any place where a gambling game is being conducted or operated in violation of the provisions of this chapter, with the intent that the other person play or participate in that gambling game.

5. To place or increase a bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including past-posting and pressing bets.

6. To reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including pinching bets.

8. To offer, promise or give anything of value to anyone for the purpose of influencing the outcome of a race, sporting event, contest or game upon which a wager may be made, or to place, increase or decrease a wager after acquiring knowledge, not available to the general public, that anyone has been offered, promised or given anything of value for the purpose of influencing the outcome of the race, sporting event, contest or game upon which the wager is placed, increased or decreased.

[1911 C&P § 198; RL § 6463; NCL § 10146] + [1911 C&P § 199; RL § 6464; NCL § 10147] — (NRS A 1967, 587; 1977, 477; 1979, 1476; 1981, 1292; 1987, 414; 1989, 1112; 2001, 3095; 2005, 723)

NRS 465.086 Unlawful receipt of compensation for accepting bets or wagers upon result of certain events without required gaming licenses.

1. Except as otherwise provided by law, it is unlawful for a person to receive, directly or indirectly, any compensation or reward, or any percentage or share of the money or property played, for accepting any bet or wager upon the result of any event held at a track involving a horse or other animal, sporting event or other event, as defined by regulations adopted by the Nevada Gaming Commission, without having first procured, and thereafter maintaining in effect, all federal, state, county and municipal gaming

licenses as required by statute, regulation or ordinance or by the governing body of any unincorporated town.

2. Except as otherwise provided by law, it is unlawful for a person to:

(a) Accept or facilitate any bet or wager that is placed with a person described in subsection 1; or

(b) Transmit or deliver anything of value resulting from a bet or wager to a person who has placed a bet or wager with a person described in subsection 1.

3. The provisions of this section do not make it unlawful for a race book or sports pool that is licensed pursuant to chapter 463 of NRS to, without knowledge, accept a bet or wager from or pay a winning bet or wager to a person described in subsection 1 or 2.

(Added to NRS by 2015, 2420)

NRS 465.092 Accepting, receiving or allowing another to accept or receive wager from person physically present in this state prohibited under certain circumstances; penalty.

1. Except as otherwise provided in NRS 465.094, a person, alone or with others, shall not knowingly, within or outside of this state:

(a) Accept or receive, directly or indirectly, through any medium of communication a wager from another person who is physically present within this state; or

(b) Allow a lessee, agent or employee to accept or receive, directly or indirectly, through any medium of communication a wager from another person who is physically present within this state.

2. If a person engages in conduct in violation of subsection 1 and the person is outside of this state at the time of the offense:

(a) The offense shall be deemed to commence outside of this state;

(b) The offense shall be deemed to be consummated within this state; and

(c) The person may be prosecuted within this state pursuant to the provisions of NRS 171.015.

3. A person who violates the provisions of this section is guilty of a misdemeanor.

(Added to NRS by 1997, 3318)

NRS 465.093 Placing, sending, transmitting or relaying wagers to another person prohibited under certain circumstances; penalty.

1. Except as otherwise provided in NRS 465.094, a person, alone or with others, shall not knowingly:

(a) From within this state, place, send, transmit or relay through a medium of communication a wager to another person or an establishment that is located within or outside of this state; or

(b) From outside of this state, place, send, transmit or relay through a medium of communication a wager to another person or an establishment that is located within this state.

2. A person who violates the provisions of this section is guilty of a misdemeanor.

(Added to NRS by 1997, 3319)

NRS 465.094 Limitation on applicability of NRS 465.092 and 465.093.

The provisions of NRS 465.092 and 465.093 do not apply to global risk management pursuant to NRS 463.810 and 463.820 or to a wager placed by a person for the person's own benefit or, without compensation, for the benefit of another that is accepted or received by, placed with, or sent, transmitted or relayed to:

1. A race book or sports pool that is licensed pursuant to chapter 463 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering;

2. A person who is licensed to engage in off-track pari-mutuel wagering pursuant to chapter 464 of NRS, if the wager is accepted or received within this State and otherwise complies with subsection 3 of NRS 464.020 and all other applicable laws and regulations concerning wagering;

3. A person who is licensed to operate a mobile gaming system pursuant to chapter 463 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering;

4. Any other person or establishment that is licensed to engage in wagering pursuant to title 41 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering; or

5. Any other person or establishment that is licensed to engage in wagering in another jurisdiction and is permitted to accept or receive a wager from patrons within this State under an agreement entered into by the Governor pursuant to NRS 463.747.

(Added to NRS by 1997, 3319; A 2005, 724; 2013, 1035, 3314; 2015, 1823)

Regulations

5.013 Gaming by, and issuance of gaming credit to, owners, directors, officers, and employees.

1. Except as provided in subsection 2, no officer, director, owner or key employee of an entity which holds a gaming license in this state, or of an affiliate or an affiliated company of an entity which holds a gaming license in this state, shall play or place a wager at any gambling game, slot machine, race book or sports pool which is exposed to the public for play or wagering:
(a) By that gaming licensee; or
(b) By an affiliate or an affiliated company of that gaming licensee.
2. Subsection 1 shall not apply to the playing of or wagering on poker, panguingui or off-track pari-mutuel wagering.
3. No race book or sports pool employee shall place a wager, other than an off-track pari-mutuel wager, with the book at which they are employed or at a book of an affiliate or an affiliated company whether on their behalf, on behalf of the race book or sports pool, or on behalf of another person.
4. Licensees shall not issue credit for purposes of gaming to key employees of that licensee whether or not such credit is evidenced by a player card, wagering account or a credit instrument.
5. For the purposes of this section, "affiliate" shall have the same meaning as defined in Regulation 15.482-3 and "affiliated company" shall have the same meaning as defined in NRS 463.4825. "Affiliated company" specifically includes a publicly traded corporation registered with the Commission.
(Formerly Sec. 5.012. Amended: 2/85; 12/91; 3/92; 2/97; 11/98. Effective: 1/1/99.)

5.115 Periodic payments.

1. Except as provided in this regulation, a licensee shall remit the total prizes awarded to a patron as the result of conducting any game, including a race book or sports pool, tournament, contest, or promotional activity (hereinafter collectively referred to as "gaming or promotional activity") conducted in Nevada or arising from the operation of a multi-jurisdictional progressive prize system upon validation of the prize payout.

5.190 Aggregate payout limits for gambling games.

1. As used within this regulation, "aggregate payout limit" means a maximum payoff amount that will be paid by a licensee to two or more patrons as the result of winning wagers resulting from any single call of the game or hand of play.
5. Aggregate payout limits may not be imposed upon payouts from slot machines, race books, sports pools or any game where the highest payoff odds on a winning wager are less than 50 to 1, unless otherwise allowed by regulations of the commission. This section does not apply to bingo or keno.
6. The chairman of the board may, in his sole and absolute discretion, waive one or more of the provisions of this section, subject to such conditions as the chairman may impose.

(Adopted: 1/01. Effective: 5/01/01.)

5.225 Wagering accounts.

1. Definitions. As used in this section:
(a) "Chairman" means the chairman of the board or his 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" means an electronic ledger operated and maintained by a licensee for a patron in connection with the 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, 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:

(1) Deposits;
(2) Withdrawals;
(3) Debits;
(4) Credits;
(5) Service or other transaction-related charges authorized by the patron; and
(6) Adjustments to the wagering account.
2. Except as otherwise specified in Regulations 5A, 22, and 26C, as applicable, a licensee shall comply with the provisions of this section for the creation and use of wagering accounts for all forms of wagering.
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 for patrons' gaming activity with any licensed gaming establishment of the licensee and with any affiliate of the licensee.
(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 chairman 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 chairman may require.
(2) Obtain the written administrative approval from the chairman subject to such conditions or limitations that the chairman may impose.
4. Operation and maintenance of wagering accounts by third-parties.
(a) A licensee may use a licensed cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on behalf of the licensee provided such wagering accounts are within the State of Nevada.
(b) A licensed cash access and wagering instrument service provider or a licensed manufacturer that acts on behalf of a licensee to operate and maintain wagering accounts shall be subject to the provisions of this section applicable to such services to the same extent as the licensee.
(c) A licensee continues to have an obligation to ensure, and remains responsible for compliance with, this regulation, the Gaming Control Act and all other regulations of the commission regardless of its use of a licensed cash access and wagering instrument service provider or a licensed manufacturer to operate and maintain wagering accounts on its behalf.
(d) A licensed cash access and wagering instrument service provider or a licensed manufacturer acting on behalf of a licensee, and with the consent of the licensee and the patron, may use a patron's personal identification information to administer all other wagering accounts created for that patron on behalf of additional licensees.
5. To the extent not otherwise inconsistent with NRS 463.245(3), a licensee may create a wagering account for a patron only after it has registered the patron, either remotely or in person, as follows:
(a) Obtained, recorded, and verified:
(1) The identity of the patron;
(2) The patron's date of birth;
(3) The patron's physical address; and
(4) The patron's social security number, if a United States resident.
(b) Have the patron affirm:
(1) That the information provided by the patron to the licensee to open the wagering account is accurate;
(2) That the patron has reviewed and acknowledged the rules and procedures established by the licensee for use of the wagering account;
(3) That the patron has been informed of and acknowledged that they are prohibited from allowing any other person not assigned to the wagering account access to or use of their wagering account; and
(4) That the patron consents to the monitoring and recording by the licensee and the board of the use of the wagering account.

(c) Determined that the patron is not on the list of excluded persons established pursuant to NRS 463.151 and Regulation 28.

□ A licensee may assign more than one patron to a single wagering account provided that each additional patron is registered as provided herein.

6. Once a wagering account is created, a secure personal identification for each patron authorized to use the wagering account shall be implemented by the licensee that is reasonably designed to prevent the unauthorized access to, or use of, the wagering account by any person other than the patron or patrons for whom the wagering account is established.

7. A licensee shall not allow a patron to make any wagers using the wagering account until the patron personally appears before an employee of the licensee at its licensed gaming establishment or at the licensed gaming establishment of its affiliate where the patron presents a government issued picture identification credential confirming the patron's identity.

8. A licensee shall not allow a wagering account to be created anonymously or in a fictitious name. Patrons may, while using or playing a game or gaming device, represent themselves using a name other than their actual name or may remain anonymous.

9. Funds may be deposited by a patron into their wagering account as follows:

(a) Cash deposits made directly with the licensee;

(b) Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the licensee;

(c) Transfers from a patron's safekeeping or front money accounts otherwise held by the licensee;

(d) Debits from the patron's debit instrument, prepaid access instrument, or credit card;

(e) Transfers from another account verified to be controlled by the patron through the automated clearing house or another mechanism designed to facilitate electronic commerce transactions;

(f) Funds derived from the extension of credit to the patron by the licensee; or

(g) Any other means approved by the chairman.

10. Funds may be withdrawn by a patron from their wagering account as follows:

(a) Issuance of cash directly to the patron by the licensee;

(b) Issuance of a personal check, cashier's check, money order, or wire transfer by the licensee made payable to the patron and issued directly or mailed to the patron;

(c) Transfers to the patron's safekeeping or front money accounts held by the licensee;

(d) Credits to the patron's debit instrument, prepaid access instrument, or credit card;

(e) Transfers to another account verified to be controlled by the patron through the automated clearing house or another mechanism designed to facilitate electronic commerce transactions;

(f) As repayment of outstanding credit owed by the patron to the licensee; or

(g) Any other means approved by the chairman.

11. Credits to a wagering account may be made by the following means:

(a) Deposits;

(b) Amounts won by the patron;

(c) Transfers from a game or gaming device;

(d) Promotional credits, or bonus credits provided by the licensee and subject to the terms of use established by the licensee and as long as such credits are clearly identified as such;

(e) Adjustments made by the licensee following the resolution of a dispute; or

(f) Any other means approved by the chairman.

12. Debits to a wagering account may be made by the following means:

(a) Withdrawals;

(b) Amounts wagered by the patron;

(c) Transfers to a game or gaming device;

(d) Adjustments made by the licensee following the resolution of a dispute;

(e) Service or other transaction-related charges authorized by the patron; or

(f) Any other means approved by the chairman.

13. Unless there is a pending unresolved player dispute or investigation, a licensee shall comply with a request for a withdrawal of funds by a patron from their wagering account in accordance with the terms of the wagering account agreement between the licensee and its patron.

14. A licensee shall not allow a patron to electronically transfer funds from their wagering account to any other patron's wagering account.
15. A licensee shall not allow a wagering account to be overdrawn unless caused by payment processing issues outside the control of the licensee.
16. A licensee shall suspend a wagering account if the wagering account has not been used to make any wagers for a consecutive 16-month period. The licensee may re-activate a suspended wagering account only after re-verifying the information required by subsection 5(a) of this regulation and upon the patron presenting a current government issued picture identification credential.
17. A licensee shall record and maintain, for a period of at least 5 years after creation, the following in relation to a wagering account:
(a) All information used by the licensee to register a patron and create the wagering account pursuant to subsection 5 of this regulation;
(b) The method used to verify the information provided by a patron to establish the wagering account, including a description of the identification credential provided by a patron to confirm their identity and its date of expiration;
(c) The date and time the wagering account is opened and terminated;
(d) The date and time the wagering account is accessed by any person, including the patron or the licensee;
(e) All deposits, withdrawals, credits and debits; and
(f) The patron's account number.
18. Responsible Gambling.
(a) Licensees shall ensure that, within one year following the effective date of this regulation, its patrons have the ability to select responsible gambling options associated with their wagering account that include deposit limits establishing the amount of total deposits a patron can make to their wagering account within a specified period of time.
(b) Licensees shall conspicuously display and make available to patrons, upon access to their wagering account, the following responsible gambling message:

> [Licensee's name] encourages you to gamble responsibly. For problem gambling information and assistance, call the 24-hour confidential Problem Gamblers HelpLine at 1-800-522-4700, or visit www.WhenTheFunStops.org.

☐ If either the helpline number or website address changes, the chairman may administratively approve the use of an alternative helpline number or website address.
19. Each licensee that offers wagering accounts shall adopt, conspicuously display, make available, and adhere to written, comprehensive rules governing wagering account transactions. Such rules must include, at a minimum, the following:
(a) That the licensee's house rules apply to wagering accounts, as applicable.
(b) That the licensee shall provide each patron, upon reasonable request and consistent with its internal control policies, with a statement of account showing each wagering account deposit, withdrawal, credit, and debit made during the time period reported by the account statement. The patron may dispute any transaction in accordance with Regulation 7A.
(c) That for all wagers, the licensee is required to make a voice, print, electronic or other approved record of the entire transaction and shall not accept any such wager if the recording system is inoperable. The licensee's record of a patron's confirmation of all wagers shall be deemed to be the transaction of record. Such records are made available to the board upon request.
(d) That the licensee has the right to;
(1) Refuse to establish a wagering account for what it deems good and sufficient reason;
(2) Refuse deposits to wagering accounts for what it deems good and sufficient reason;
(3) Refuse to accept all or part of any wager for what it deems good and sufficient reason;
(4) Declare that any or all wagers will no longer be received; and
(5) Unless there is a pending board investigation or patron dispute, suspend or close any wagering account at any time pursuant to the terms of the agreement between the licensee and the patron, provided, however, when a wagering account is closed, the licensee shall immediately return the balance

of the wagering account at the time of said action, subject to compliance with these regulations, the licensee's house rules, and federal and state laws and regulations, by sending a check to the patron's address of record or as otherwise provided pursuant to the terms of the wagering account agreement; and

(e) That the licensee shall keep confidential, except from the board, except from financial institutions participating in a program established in accordance with Section 314(b) of the USA Patriot Act, except as required by state or federal law, or except as otherwise authorized by the patron, the following:
(1) The amount of money credited to, debited from, or present in any particular patron's wagering account;
(2) The amount of money wagered by a particular patron on any game or gaming device;
(3) The account number and secure personal identification method that identifies the patron;
(4) The identities of particular entries on which a patron is wagering or has wagered; and
(5) The name, address, and other information in the possession of the licensee that would identify the patron to anyone other than the board or the licensee.
(f) That the licensee shall disclose its policy regarding the acceptance of personal checks, cashier's checks, wire transfers, money orders, debit instruments, credit cards and electronic transfers of money to the patron.
□ Prior to adopting or amending such wagering account rules, a licensee shall submit them to the chairman for approval.
20. Reserve requirements for licensees.
(a) A licensee shall maintain a reserve in the form of cash, cash equivalents, an irrevocable letter of credit, a bond, or a combination thereof for the benefit and protection of patrons' funds held in wagering accounts. The reserve may be maintained by a licensee's holding company and may be combined as a single amount for all patrons' funds held in wagering accounts maintained by the licensee and its affiliate licensees.
(b) The amount of the reserve shall be not less than the greater of $25,000 or the sum of all patrons' funds held in the wagering accounts. Amounts available to patrons for play that are not redeemable for cash may be excluded from the reserve requirement. In calculating the sum of all patrons' funds held in wagering accounts when such wagering accounts are used for multiple types of wagering, this subsection, and Regulations 5A, 22, and 26C, as applicable, shall not be construed to require the tallying of such patrons' funds more than once.
(c) If a reserve is maintained in the form of cash, cash equivalent, or an irrevocable letter of credit, it must be held or issued, as applicable, by a federally-insured financial institution. If the reserve is maintained in the form of a bond, it must be written by a bona fide insurance carrier. The reserve must be established pursuant to a written agreement between the licensee and the financial institution or insurance carrier, but the licensee may engage an intermediary company or agent acceptable to the chairman to deal with the financial institution or insurance carrier, in which event the reserve may be established pursuant to written agreements between the licensee and the intermediary and between the intermediary and the financial institution or insurance carrier.
(d) The agreements described in paragraph (c) of this subsection must reasonably protect the reserve against claims of the licensee's creditors other than the patrons for whose benefit and protection the reserve is established, and must provide that:
(1) The reserve is established and held in trust for the benefit and protection of patrons to the extent the licensee holds money in wagering accounts for such patrons;
(2) The reserve must not be released, in whole or in part, except to the board on the written demand of the chairman or to the licensee on the written instruction of the chairman. The reserve must be available within 60 days of the written demand or written notice. The licensee may receive income accruing on the reserve unless the chairman instructs otherwise pursuant to paragraph (k) of this subsection;
(3) The licensee has no interest in or title to the reserve or income accruing on the reserve except to the extent expressly allowed in this subsection;
(4) Nevada law and this subsection govern the agreements and the licensee's interest in the reserve and income accruing on the reserve;
(5) The agreements are not effective until the chairman's approval has been obtained pursuant to paragraph (e) of this subsection; and

(6) The agreements may be amended only with the prior, written approval of the chairman.
(e) Each licensee shall submit to the chairman all information and copies of all documents relating to its proposed reserve arrangement, including copies of the agreements described in paragraphs (c) and (d) of this subsection, and must obtain the chairman's approval of the agreements and of the reserve arrangements generally. The chairman shall determine whether the agreements and arrangements satisfy the purposes and requirements of this subsection, may require appropriate changes or withhold approval if they do not, and shall notify the licensee of the determination. Amendments to reserve agreements or arrangements must be approved in the same manner.
(f) A licensee must calculate its reserve requirements each day. In the event a licensee determines that its reserve is not sufficient to cover the calculated requirement, the licensee must, within 24 hours, notify the chairman of this fact in writing and must also indicate the steps the licensee has taken to remedy the deficiency.
(g) Each licensee must engage an independent certified public accountant to examine the pertinent records relating to the reserve each month and determine the reserve amounts required by this subsection

for each day of the previous month and the reserve amounts actually maintained by the licensee on the corresponding days. The licensee shall make available to the accountant whatever records are necessary to make this determination. The accountant shall report the findings with respect to each day of the month under review in writing to the board and the licensee no later than the tenth day of the next month. The report shall include the licensee's statement addressing each day of noncompliance and the corrective measures taken.
(h) The report described in paragraph (g) of this subsection may be prepared by an employee of the licensee that is independent of the gaming operations if written approval has been received from the chairman. The report must contain the signature of an employee attesting to the accuracy of the submitted information.
(i) If the chairman is notified pursuant to paragraph (f) of this subsection, or the report described in paragraph (g) of this subsection indicates that at any time during the month under review the amount of the reserve did not meet the requirements of this section, the chairman may instruct the book to either increase the reserve accordingly or cease accepting wagers and money for the account of patrons until such time as the reserve meets the requirements of this subsection and is confirmed to the chairman's satisfaction. The chairman may demand that this reserve be increased to correct any deficiency or for good cause to protect patrons.
(j) If the reserve exceeds the requirements of this subsection, the chairman shall, upon the licensee's written request, authorize the release of the excess.
(k) When a licensee ceases operating and its license lapses, is surrendered, or is revoked, the chairman may demand payment of the reserve, any income accruing on the reserve after operations cease, and, if instructions from the chairman that income accruing on the reserve not be paid to the licensee are in effect when operations cease, any income accruing since the instructions took effect. The board may interplead the funds in state district court for distribution to the patrons for whose protection and benefit the reserve was established and to such other persons as the court determines are entitled thereto, or shall take such other steps as are necessary to effect the proper distribution of the funds, or may do both.
(l) As used in this subsection, "month" means a calendar month unless the chairman requires or approves a different monthly period to be used for purposes of this subsection, in which case "month" means the monthly period so required or approved.
21. Upon written request and good cause shown, the chairman may waive one or more of the requirements of subsection 20 of this Regulation. If a waiver is granted, the chairman may impose alternative requirements.
(Adopted: 5/17.)

5.230 Hosting center; registration required.

1. Before certain parts of any game, gaming device, cashless wagering system or race book or sports pool operation can be operated at a hosting center, the hosting center, along with all owners and operators of the hosting center, and persons having significant involvement with the hosting center as

determined by the commission, including but not limited to key employees, must register with the board pursuant to this regulation. Such registration does not become effective until the registration is approved by the board chairman or his or her designee in writing. Any person or entity whose request for registration is not approved by the board chairman or his or her designee may appeal the decision using the administrative appeal process found under Regulations 4.185 through 4.195, inclusive.
2. Registration required by subsection 1, shall be made, processed, and determined using such forms as the chairman may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. The information requested shall include, but not be limited to, the following:
(a) For the registration of natural persons:
(1) Full name, including aliases, past and present;
(2) Residential address or addresses for the last five years;
(3) Contact information, including phone numbers and email addresses;
(4) Employment history, both current and for the past ten years;
(5) Date and place of birth;
(6) Social Security Number;
(7) Full legal name of the hosting center to which the person's registration relates;
(8) Description of the person's relationship with the relevant hosting center, and the person's duties or responsibilities under that relationship;
(9) List and description of any professional licenses that the person has held, past and present, and any past or current disciplinary action against those licenses;
(10) List and description of any arrests or convictions of the person by law enforcement involving a felony or crime of moral turpitude;
(11) List and description of any incidents in which the person has, either individually or part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;
(b) For the registration of business organizations or associations:
(1) Legal name, address, and contact information of every business organization or association under which the entity does business;
(2) Date and jurisdiction under which each business organization or association provided under subsection (2)(b)(1) is registered as a legal entity;
(3) Tax identification number of each business organization or association provided under subsection (2)(b)(1);
(4) List of all affiliates of the business organization or association as defined under NRS 463.0133;
(5) Organization chart depicting the business organization's or association's management structure;
(6) Organization chart depicting the business organization's or association's ownership structure, including, but not limited to any parent and affiliated entities;
(7) List of the names of all officers, directors, managers, and key employees of the business organization or association;
(8) Where the business organization or association is not the hosting center itself, a description of the business organization's or association's relationship to the relevant hosting center, and of what duties or responsibilities it will have under that relationship;

(9) List and description of any professional licenses that the business organization or association has held, past and present, and any past or current disciplinary action against those licenses;
(10) List and description of any criminal charges brought against the business organization or association involving a felony or crime of moral turpitude; and
(11) List and description of any incidents where the business organization or association has, either individually or as part of a group, been refused a gaming license or otherwise been found unsuitable by a regulatory body;
(c) For each hosting center provide a description of the facility and services available. The following descriptions must be provided:
(1) Location description including:
(a) Floor plan;
(b) Reliability of power and telecommunications;
(c) Bandwidth availability;

(d) Compliance of server room to international standards;
(e) Redundancy of power and telecommunications feeds;
(f) Offline power capabilities (e.g. UPS and generator power);
(g) Refueling requirements of generators and fuel acquisition arrangements;
(h) Fire suppression system(s);
(i) Temperature and humidity control system(s);
(j) Procedures for switching to offline power; and

(2) Security description including:
(a) Perimeter boundary fences;
(b) Use of security guards (employees or contracted);
(c) Access controls;
(d) Alarm systems;
(e) Video surveillance coverage and storage;
(f) Monitoring of personnel access to sensitive areas;
(g) Anti-surveillance measures;
(h) Tenants; and
(i) Contractors in use for services such as cleaning and maintenance.
(3) Disaster recovery capabilities, testing, and auditing.

(4) Internal Control Procedures including:
(a) Visitor access procedures and controls;
(b) Maintenance and audit of access logs;
(c) Alarm procedures for technical and security response;
(d) Due diligence performed on contractors, tenants, and staff;
(e) Emergency access procedures; and
(f) Any other relevant procedures.
3. Any request for registration pursuant to subsection 1 shall contain a statement subscribed by the applicant for registration that:
(a) The information being provided to the board is accurate and complete;
(b) That the applicant for registration agrees to cooperate with requests, inquiries, or investigations of the board and commission; and
(c) The applicant for registration acknowledges that the commission may demand the person or entity to submit an application for finding of suitability, and that a failure to submit such an application within 30 days of the demand may constitute grounds for a finding of unsuitability by the commission.
4. Any applications for registration required under this section shall be prepared and submitted by the relevant hosting center.
5. By the 15th day of each January, each registered hosting center shall inform the board in writing of any changes in the information provided in its application for registration, and the applications for registration of any owner, operator, or person having significant involvement with the hosting center, or provide the board with an affirmative statement indicating that there have been no changes to that information. If such information or statement is not provided to the board within ninety days of January 15th of each year, the hosting center's registration, and the registrations of each owner, operator, and person having significant involvement with the hosting center will lapse. If any registrations lapse pursuant to this subsection, the applicable registrants must reapply for registration with the board in order to reinstate the person's or entity's registered status.
6. The board chairman, or his or her designee, in his or her sole and absolute discretion may, upon receipt of a written request:
(a) Waive the registration requirements of subsections 2(a) and 2(b) for an individual or entity that currently holds a nonrestricted gaming license, or an affiliate thereof that has been registered or found suitable by the commission; or
(b) Waive the registration requirements of subsection 2(c) if the hosting center can demonstrate, to the chairman's or his or her designee's satisfaction, that the disclosure to the board of certain information required under that subsection would hinder operations or pose a hardship due to contractual obligations.

(Adopted: 7/11.)

5.231 Hosting center; access to premises.

1. The premises on which a registered hosting center is located is subject to the power and authority of the board and commission pursuant to NRS 463.140, as though the premises is where gaming is conducted and as if the hosting center is a gaming licensee. The chairman may waive this requirement for portions of the hosting center premises if the hosting center can demonstrate to the chairman's satisfaction that:
(a) Such portions do not host certain parts of any game, gaming device, cashless wagering system or race book or sports pool operation; and
(b) Access to such portions of the premises causes undue hardship on the hosting center or its tenants.
(Adopted: 7/11.)

5.232 Hosting center; determination of suitability.

1. The commission may, upon recommendation of the board, require a person or entity owning, operating or having a significant involvement with a hosting center to file an application for finding of suitability to be associated with licensed gaming, including race book or sports book operations.
2. The commission shall give written notice to a person or entity of its decision to require the filing of an application for a finding of suitability under subsection 1. Unless otherwise stated by the commission in its written notice, a person or entity that has been ordered to file an application for a finding of suitability may continue to own, operate, or otherwise be involved with a registered hosting center unless and until the commission finds the person unsuitable.
3. If the commission finds any person or entity to be unsuitable under this section:
(a) The registration of such person or entity is thereupon cancelled; and
(b) All registered hosting centers and gaming licensees shall, upon written notification from the board, terminate any existing relationship, direct or indirect, with such person.
4. Failure of a gaming licensee to terminate any association or agreement, direct or indirect, with a person or entity found unsuitable under this section upon receiving written notice of the determination of unsuitability constitutes an unsuitable method of operation.
5. Failure of a registered hosting center to terminate any association or agreement with a person or entity found unsuitable under this section upon receiving written notice of the determination of unsuitability shall constitute grounds for the revocation of the hosting center's registration.
6. The commission retains jurisdiction to determine the suitability of a person or entity described in paragraph 1 regardless of whether or not that person or entity has severed any relationship with a registered hosting center or gaming licensee.
7. Failure on the part of a person or entity described in paragraph 1 to submit an application for a finding of suitability within 30 days of being demanded to do so by the commission shall constitute grounds for a finding of unsuitability of that person or entity.
(Adopted: 7/11.)

5.235 Hosting center; requirements on licensees utilizing hosting centers; limitations on operations at hosting centers.

1. Gaming licensees may only operate parts of any game, gaming device, cashless wagering system or race book or sports pool operation at hosting centers that have an active registration with the board pursuant to regulation 5.230.
2. A gaming licensee must report in writing to the board the name of any registered hosting center it intends to utilize along with a description of what operations will take place at the hosting center. A gaming licensee must inform the board in writing should any operations at the hosting center change or if the gaming licensee ceases operations at the hosting center altogether.
3. The parts of the operation of any game, gaming device, cashless wagering system or race book or sports pool operation that involve the physical acceptance of a wager from a patron or payout of winnings to a patron cannot occur at the hosting center, but rather must only occur in such manner and location as allowed under the Gaming Control Act or the regulations adopted thereunder.

(Adopted: 7/11.)

5.240 Service Providers.

1. Findings. The commission hereby finds that service providers are secure and reliable, that service providers do not pose a threat to the integrity of gaming, and that service providers are consistent with the public policy of this State pursuant to NRS 463.0129.
2. Definitions.
(a) "Chairman" means the chairman of the board or his designee.
(b) "Assumes responsibility" means to acquire control over, or ownership of, a person, or to acquire the authority, by contract or otherwise, to direct a person to make corrections, modifications, or changes to any aspect of the service or services provided by the person, including corrections, modifications or changes to software or hardware.
(c) "Geolocation service provider" means a person who identifies, or provides information for the identification of, the geographic location of individuals to a licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems for purposes of interactive gaming. This definition does not include:
(i) A person who otherwise generally provides such information for purposes other than interactive gaming;
(ii) A licensed operator of interactive gaming who obtains such information for its own use;
(iii) A licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems who provides such information; or
(iv) A person who provides such information to a licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems so long as the licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems assumes responsibility for the information provided.

(d) "Information technology service provider" means a person who, on behalf of another licensee, provides management, support, security, or disaster recovery services for board regulated hardware or software.
(e) "Patron identification service provider" means a person who verifies, or provides information for the verification of, the identification of individuals to a licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems for purposes of interactive gaming. This definition does not include:
(i) A person who otherwise generally provides such information for purposes other than interactive gaming;
(ii) A licensed operator of interactive gaming who obtains such information for its own use;
(iii) A licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems who provides such information; or
(iv) A person who provides such information to a licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems so long as the licensed operator of interactive gaming, licensed interactive gaming service provider, or licensed manufacturer of interactive gaming systems assumes responsibility for the information provided.
(f) "Payment processing service provider" means a person who directly facilitates the depositing of funds into or withdrawing of funds from interactive gaming accounts for a licensed operator of interactive gaming or licensed interactive gaming service provider. This definition does not include:

(i) A licensed operator of interactive gaming who provides such services for its patrons;
(ii) A licensed interactive gaming service provider who provides such services; or
(iii) A person who provides such services to a licensed operator of interactive gaming or licensed interactive gaming service provider, so long as the licensed operator of interactive gaming or licensed interactive gaming service provider assumes responsibility for the service provided.
(g) "Service provider" means a person who:

(i) Acts on behalf of another licensed person who conducts nonrestricted gaming operations, and who assists, manages, administers or controls wagers or games, or maintains or operates the software or hardware of games on behalf of such a licensed person, and is authorized to share in the revenue from games without being licensed to conduct gaming at an establishment;
(ii) Is an interactive gaming service provider as defined pursuant to Regulation 5A.020;
(iii) Is a cash access and wagering instrument service provider;
(iv) Is an information technology service provider;
(v) Acts on behalf of another licensed person who conducts nonrestricted gaming operations where the services provided include those functions that fall within the definition of "gaming employee" pursuant to NRS 463.0157;
(vi) Is a geolocation service provider;
(vii) Is a patron identification service provider; or
(viii) Is a payment processing service provider.
 A service provider granted a license by the commission is a licensee.

3. Service provider investigation classifications. The level of investigation conducted by the board of a service provider applicant is classified based on the significance of the activities to be provided on behalf of a licensee and regulatory risk of the service provider. The investigation classifications are as follows:
(a) The following service providers are subject to a class 1 investigation:
(i) Any interactive gaming service provider;
(ii) Any service provider who receives payments based on earnings or profits from any gambling game; or
(iii) Any other applicant for a service provider license who, upon a determination of the chairman, should be subject to a class 1 investigation. Such determination shall be based on the policy set forth in NRS 463.0129 and this subsection.
(b) Any service provider other than those identified in subsection 3(a) of this section is subject to a class 2 investigation.
4. A licensee may only use a service provider that is licensed as such by the commission.
5. A licensee continues to have an obligation to ensure, and remains responsible for, compliance with this regulation, the Gaming Control Act and all other regulations of the commission regardless of its use of a service provider.

6. A person may act as a service provider only if that person holds a license authorizing the person to act as a service provider and subject to any further conditions, limitations and restrictions imposed by the commission. Once licensed, a service provider may act on behalf of one or more gaming licensees.
7. Licensing.
(a) Applications for a service provider license that is subject to a class 1 investigation shall be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the chairman may require or approve.
(b) Applications for a service provider license that is subject to a class 2 investigation shall be made, processed, and determined using such forms as the chairman may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. Such service providers shall be subject to an investigation and review by the board as deemed necessary by the chairman based on the regulatory risk and the intended activities of the service provider but that is at a level less than a class 1 investigation.
(c) Before receiving a license, a service provider must meet the qualifications for licensing pursuant to NRS 463.170.
(d) Nothing in this Regulation shall be construed to limit or prevent the board from conducting such supplementary or expanded investigations of any applicant for a service provider license as determined necessary by the chairman or his designee. The board may require an applicant for a service provider license to pay any supplementary investigative fees and costs in accordance with Regulation 4.070.
8. An applicant for a service provider's license shall have the burden of showing that its operations are secure and reliable.
9. Applications for a service provider license shall be subject to the application and investigative fees established pursuant to Regulation 4.070.

10. The premises on which a service provider conducts its operations is subject to the power and authority of the board and commission pursuant to NRS 463.140. It shall be an unsuitable method of operation for a service provider holding a license issued by the commission to deny any board or commission member or agent, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of their operations.
11. A service provider shall be liable to the licensee on whose behalf the service provider acts for the service provider's proportionate share of the fees and taxes paid by the licensee.
12. Employees of Service Provider. Any employee of a service provider who is connected directly with the operations of the service provider or who, on behalf of a licensee or on behalf of the service provider, performs the duties of a gaming employee as provided pursuant to NRS 463.0157 is a gaming employee subject to the provisions of NRS 463.335 and 463.337 and Regulations 5.100 through 5.109.
13. License fees.
(a) Before the commission issues an initial license or renews a license for a service provider, the service provider shall pay a license fee of $1,000.
(b) All service provider licenses shall be issued for the calendar year beginning on January 1 and expiring on December 31. If the operation as a service provider is continuing, the fee prescribed by subsection (a) shall be due on or before December 31 of the ensuing calendar year. Regardless of the date of application or issuance of the license, the fee charged and collected under this section is the full annual fee.
14. Any provisions of Regulation 5A specifically applicable to interactive gaming service providers shall control over this regulation.

15. Grounds for Disciplinary Action.
(a) Failure to comply with the provisions of this regulation shall be an unsuitable method of operation and grounds for disciplinary action.
(b) The commission may limit, condition, suspend, revoke or fine any license, registration, finding of suitability or approval given or granted under this regulation on the same grounds as it may take such action with respect to any other license, registration, finding of suitability or approval.
(Adopted: 12/11. Amended: 8/12; 9/12; 4/16.)

6.090 Internal control for Group I licensees. As used in this section, "licensee" means a Group I licensee and "chairman" means the chairman or other member of the state gaming control board.

10. Before adding or eliminating a counter game; eliminating all table games; adding a table game at a gaming establishment not offering table games; adding any computerized system that affects the proper reporting of gross revenue; adding any computerized system of betting at a race book or sports pool; or adding any computerized system for monitoring slot machines or other games, or any other computerized associated equipment, the licensee must:
(a) Amend its accounting and administrative procedures and its written system of internal control to comply with the minimum standards;
(b) Submit to the board a copy of the written system as amended, and a written description of the amendments signed by the licensee's chief financial officer and either the licensee's chief executive officer or a licensed owner;
(c) Comply with any written requirements imposed by the chairman regarding administrative approval of computerized associated equipment; and
(d) After paragraphs (a) through (c) have been complied with, implement the procedures and written system as amended.

14.010 Definitions. As used in this regulation, unless the context otherwise requires:

1. "Assume responsibility" means to acquire complete control over, or ownership of, a gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

2. “Cashless wagering system” means the collective hardware, software, communications technology, and other associated equipment used to facilitate wagering on any game or gaming device including mobile gaming systems and interactive gaming systems with other than chips, tokens or legal tender of the United States. The term does not include any race and sports computerized bookmaking system that accepts pari-mutuel wagers, or any other race and sports book systems that do not accept wagering instruments, wagering credits or process electronic money transfers. This type of associated equipment is further defined in NRS 463.014.

14.290 Installation of associated equipment.

1. Except as otherwise provided in subsection 2, or regulation 14.260(4), a licensee shall not install or use associated equipment without prior written approval of the chairman or his designee, unless the chairman has waived the approval requirement pursuant to subsection 2 of Regulation 14.260. Applications for approval to install or use associated equipment shall be made and processed in such manner and using such forms as the chairman may prescribe. The chairman shall not approve any use or installation(s) of associated equipment that allow a patron to use a debit instrument for purposes of making electronic funds transfers from an independent financial institution to a game or gaming device through a cashless wagering system until such time as the appropriate regulations for such transfers are adopted.
2. The chairman may grant approvals for the use of or installation of equipment used in conjunction with prepaid access instruments.

(Adopted: 7/89. Amended: 5/00; 5/03; 2/14.)

REGULATION 22 RACE BOOKS AND

SPORTS POOLS

22.010 Definitions. As used in this regulation:

1. "Account wagering system" means a system of wagering using telephone, computer or other method of wagering communication as approved by the chairman whose components shall be located in this State. The components shall include, but not be limited to, the systems operator, permanent information databases, system monitoring equipment, writers, and patron service representatives.

2. "Book" means a race book or sports pool licensed and approved pursuant to chapter 463 of NRS and this regulation.

3. "Call center system" means a computerized system, or a component of such a system, that is used to receive and transmit wagering instructions from a patron to a licensed book. The call center system is located within Nevada but off the premises of a licensed gaming establishment or any affiliated licensed gaming establishment.

4. "Cash" means coin and currency that circulates, and is customarily used and accepted as money, in the issuing nation.

5. "Central site book" means a book which, for the purpose of wagering communications, may allow other licensed books to establish wagering or credit accounts, accept deposits on accounts and return funds or close out accounts for the central site. Such other licensed books:

(a) Must be outstation or satellite books of the central site, as defined in this regulation, or must be affiliates of the central site, as defined in NRS 463.430(3)(b); and

(b) Must have on-line, real-time access to the appropriate functions of the central site's computerized bookmaking system.

6. "Chairman" means the chairman of the Nevada Gaming Control Board or the chairman's designee. 7. "Communications technology" means the methods used and the components employed to facilitate the transmission of information including, but not limited to, transmission and reception systems based on wire, cable, radio, microwave, light, optics, or computer data networks. The term does not include the Internet.

8. "Group I licensee" means a Group I licensee as that term is defined in Regulation 6.010.

9. "Group II licensee" means a Group II licensee as that term is defined in Regulation 6.010.

10. "Internet" means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

11. "Key employee" means an employee in any of the classes described in subsection 1 of Nevada gaming commission Regulation 3.100, other than an employee meeting only the description in paragraph (e) of that subsection.

12. "Messenger bettor" means a person who places a race book or sports pool wager for the benefit of another for compensation.

13. "Nonpari-mutuel wager" means a race book or sports pool wager other than one offered to be included in a common pari-mutuel pool.

14. "Operator of a call center" means a person who, as an agent of a licensed Nevada book, engages in the business of operating a call center system as a means of providing patron services to assist a patron located in this state to convey wagering instructions to one or more licensed Nevada books. An operator of a call center does not accept wagers. A licensed Nevada book operating a call center on the premises of their gaming establishment or any affiliated licensed gaming establishment, with participation limited to affiliated licensed gaming establishments, is not an operator of a call center.

15. "Outstation book" means a book, other than a satellite book, that shares the computerized bookmaking system and certain management or administrative functions of a book operated by an affiliated licensee, as defined in NRS 463.430(3)(b).

16. "Payout" means the total payment due on a winning wager whether or not:

(a) The patron collects the total payment due at one time;

(b) All or a portion of the payment due is made in the form of cash, chips, or other form of payment; or (c) All or a portion of the payment due is used by the patron to place another wager.

17. "Post time" means, unless an earlier time is required by regulation in the state where the race is run:

(a) For users of live broadcasts and for buyers of audible announcements of post time from disseminators of live broadcasts, the later of either the time when the disseminator transmits an audible announcement of the post time, or when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the chairman.

(b) For races broadcast live on a national television network for which an agreement has been reached with a disseminator to provide an audible announcement of post time, that time when the disseminator relying upon information obtained independently of the television broadcast, transmits an audible announcement of post time which must be no later than when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the chairman.

(c) For licensed race books that, pursuant to an agreement with a licensed systems operator, use a computerized bookmaking system that allows the systems operator to close wagering via electronic remote access, that time when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the chairman, as determined by the systems operator through information the systems operator independently receives from a disseminator.

(d) Except as provided in paragraphs (a), (b) and (c) of this subsection 16, not later than 2 minutes before the scheduled post time as announced by the disseminator.

18. "Race book" means a business that accepts wagers on horse or other animal races.

19. "Satellite book" means a book that has been licensed pursuant to the provisions of NRS 463.245(3).

20. "Secure personal identification" means a secure personal identification as that term is defined in Regulation 5.225.

21. "Sports pool" means a business that accepts wagers on sporting events or other events, other than horse or other animal races. The term includes, but is not limited to, a business that accepts sports parlay card wagers as defined in Regulation 22.090. The term "other events" includes, but is not limited to, virtual events which are not prohibited by Regulation 22.120.

22. Wagering account" means a wagering account as that term is defined in Regulation 5.225.

23. "Wagering communication" means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

24. "Wagering instructions" means the instructions given to an operator of a call center by a patron who maintains a wagering account at a book to effect a wagering communication to the book.
(Adopted: 7/85. Effective: 9/1/85. Amended: 7/87; 11/98; 6/20/02; 9/05; 6/30/07; 8/21/08; 2/26/15; 5/17; 4/18.)

22.020 License required; applications.

1. No person may operate or own any interest in a race book or sports pool in Nevada unless that person holds a nonrestricted gaming license specifically permitting the person to do so.

2. Applications for a license to operate a race book or a license to operate a sports pool must be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the chairman may require.

3. Each application for approval made by a Group I licensee must be accompanied by an internal control system prepared and submitted in accordance with Regulation 6 and this regulation. (Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 9/05.)

22.030 Book key employees. [Repealed: 1/1/99.]

22.032 Finding of suitability required to operate a call center; applications.

1. A person shall not function as the operator of a call center unless the person has been found suitable pursuant to chapters 463 and 464 of the Nevada Revised Statutes to operate a call center under this regulation or Regulation 26C.

2. Applications for a finding of suitability to function as the operator of a call center must be made, processed, and determined using such forms as the chairman may require or approve. (Adopted: 8/21/08. Effective: 8/21/08.)

22.035 Registration of employees. [Repealed: 11/21/13.]

22.037 Employees of an operator of a call center.

Any employee of an operator of a call center who fulfills the function of receiving and transmitting wagering instructions and any employee supervising this function is a gaming employee and subject to the provisions of NRS 463.335 and 463.337. (Adopted: 8/21/08. Effective: 8/21/08.)

22.040 Reserve requirements.

1. Notwithstanding the minimum reserve requirements established for wagering accounts pursuant to subsection 20(b) of Regulation 5.225, each book shall comply with the following to calculate the minimum reserve requirements:

(a) Each book shall at all times maintain a reserve of not less than the greater of $25,000 or the sum of the following amounts:

(1) Amounts held by the book for the account of patrons;

(2) Amounts accepted by the book as wagers on contingencies whose outcomes have not been determined; and

(3) Amounts owed but unpaid by the book on winning wagers through the period established by the book for honoring winning wagers.

(b) Before beginning operations, each newly-licensed book must establish a reserve of at least the greater of $25,000 or the amount the chairman projects will at least equal the sum of the amounts specified in subparagraphs (1), (2), and (3) of subsection 1(a) at the end of the first week of the book's operation.

After the book begins operations, the book's reserve must comply with subsection 1.

2. The reserve described in subsection 1 may be combined as a single amount for a book and its satellite books.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 11/98; 9/05; 5/17.)

22.050 Issuance and control of betting tickets.

1. Immediately upon accepting a wager, other than an account wager, the book shall create a betting ticket on which the terms of the wager are written.

2. Betting tickets must bear the name and address of the book.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 9/05.)

22.060 Acceptance of wagers.

1. Books may not accept wagers unless made with cash, chips, tokens, or other representatives of value approved by the chairman, or against credits made to a wagering account as provided for in Regulation 22.160 or on credit extended in accordance with the provisions of chapter 463 of NRS and the regulations of the Nevada gaming commission.

2. A book shall accept wagers only on its licensed premises, and only at betting stations approved by the chairman or through an account wagering system that has been approved by the chairman.

3. A book shall not knowingly accept money or its equivalent ostensibly as a wager upon an event whose outcome has already been determined. A licensed sports pool shall not accept a wager on an event unless the date and time at which the outcome of the event is determined can be confirmed from reliable sources satisfactory to the chairman or from records created and maintained by the book in such manner as the chairman may approve.

4. Licensed sports pools may accept wagers, including parlay card wagers, as to which of the participating contestants will win specified sports events and as to whether the total points scored in a specified game, match, or similar sports event will be higher or lower than a number specified for that event. Licensed sports pools shall not accept wagers, including parlay card wagers, on other contingencies unless their outcomes are reported in newspapers of general circulation or in official, public records maintained by the appropriate league or other governing body, or unless the pertinent sports events are televised live at the book and a book employee other than a betting ticket writer monitors the telecast, records the occurrence of the pertinent events and contingencies simultaneously with their occurrence, and records the time of their occurrence.

5. No book or agent or employee of a book may accept a wager from a person who the book, agent, or employee knows or reasonably should know is a messenger bettor or is placing the wager in violation of state or federal law.

6. No book may hold a patron's money or its equivalent on the understanding that the book will accept the money as a wager only upon the occurrence of a specified, future contingency, unless a betting ticket documenting the wager and contingency is issued immediately when the book receives the money or its equivalent.

7. A race book or sports pool may not accept wagers on a race or sporting event unless the wagering proposition is posted. Propositions may be posted by electronic or manual means, including printed media. If posted propositions are not updated simultaneously with actual changes to the propositions, an announcement, audible throughout the race book or sports pool, must be made simultaneously with the actual changes followed by updating the posted propositions within a time specified in the house rules. (Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 7/87; 11/98; 9/05; 6/30/07.)

22.061 Wagers and payouts in excess of $10,000.

1. Prior to accepting any nonpari-mutuel wager in excess of $10,000 or making a payout in excess of $10,000 on a nonpari-mutuel winning wager the book shall:

(a) Obtain the patron's name;
(b) Obtain the patron's permanent address;
(c) Obtain the patron's social security number or passport number;
(d) Obtain one of the following identification credentials from the patron;
  (1) Driver's license;
  (2) Passport;
  (3) Non-resident alien identification card;
  (4) Other reliable government issued identification credentials; or
  (5) Other picture identification credential normally acceptable as a means of identification when cashing checks; and
(e) Examine the identification credential obtained to verify the patron's name and the accuracy of the information obtained pursuant to paragraphs (b) and (c).

2. Prior to accepting a nonpari-mutuel wager in excess of $10,000 or making a payout in excess of $10,000 on a nonpari-mutuel winning wager, if a book knows a person is placing a wager or receiving a payout allowed by the Nevada Revised Statutes and these regulations on behalf of another person, the licensee shall obtain and record the information required by paragraphs (a) through (e) of subsection 1 with respect to all persons placing the wager or receiving the payout, and the licensee shall reasonably

attempt to obtain and, to the extent obtained, shall record the information required by paragraphs (a) through (e) of subsection 1 with respect to all persons for whom the wager was placed or the payout received.

3. Subsequent to accepting a nonpari-mutuel wager in excess of $10,000 or making a payout in excess of $10,000 on a nonpari-mutuel winning wager the book shall record or maintain records that include:

(a) The patron's name and, if applicable, the agent's name;
(b) The patron's address and, if applicable, the agent's address;
(c) The patron's social security number and, if applicable, the agent's social security number;
(d) A description including any document number of the identification credential examined and, if applicable, for the agent;
(e) The amount of the wager or payout;
(f) Window number or other identification of the location where the wager or payout occurred;
(g) The time and date of the wager or payout;
(h) The names and signatures of the book employees accepting or approving the wager and payout on the wager; and
(i) Any other information as required by the chairman.

A book shall not implement alternative procedures to comply with this subsection without the written approval of the chairman.

4. Each book shall report the wagers or payouts required to be recorded pursuant to this section on a "Book Wagering Report," a form published or approved by the chairman that includes, but is not limited to:

(a) The patron's and agent's (if applicable) name;
(b) The patron's and agent's (if applicable) government issued identification credential information;
(c) The patron's and agent's (if applicable) social security number; (d) Wager and payout amounts; and (e) Date of transactions.

Reports shall be submitted to the board no later than 15 days after the end of the month of the occurrence of the transaction and in such manner as the chairman may approve or require. Each book shall file an amended report if the licensee obtains information to correct or complete a previously submitted report, and the amended report shall reference to the previously submitted report. Each book shall retain a copy of each report filed for at least 5 years unless the chairman requires retention for a longer period of time.

(Adopted: 11/98. Effective: 3/1/99. Amended: 9/05; 6/07; 11/15; 5/17; 4/18.)

22.062 Multiple wagers.

1. A book and its employees and agents shall not knowingly allow, and each book shall take reasonable steps to prevent, the circumvention of Regulation 22.061 by multiple wagers within its designated 24-hour period with a patron or a patron's agent or by the use of a series of wagers that are designed to accomplish indirectly that which could not be accomplished directly. As part of a book's efforts to prevent such circumventions relative to Regulation 22.061 a book shall establish and implement wagering multiple transaction logs.

2. Each book shall record in a wagering multiple transaction log all nonpari-mutuel wagers in excess of $5,000, or in smaller amounts that aggregate in excess of $5,000 when any single officer, employee, or agent of the book has actual knowledge of the wagers or would in the ordinary course of business have reason to know of the wagers between the book and a patron or a person who the book knows or has reason to know is the patron's confederate or agent. This record shall be made for nonpari-mutuel wagers occurring during a designated 24-hour period, within a monitoring area.

3. Each log entry in a wagering multiple transaction log shall be made by the employee accepting or approving the wager, immediately after accepting the wager, and shall include at a minimum:

(a) Description of the patron (or agent), which may include such identifiers as age, sex, race, eye color, hair, weight, height and attire, if the person is present when the wager is accepted;
(b) Patron's name and agent's name, if known;
(c) Window number or other identification of the location where the wager occurred;
(d) Time and date of the wager;
(e) Dollar amount of the wager; and
(f) Signature or electronic signature of person accepting or approving the wager.

One log shall be maintained for each monitoring area, for each designated 24-hour period. A log is completed for each 24-hour period regardless of whether any nonpari-mutuel wagers occurred. At the conclusion of each designated 24-hour period, the last entry on a log which is recorded manually shall be an indication that the end of the designated 24-hour period has occurred. A book shall not implement alternative procedures or records to comply with this subsection without the written approval of the chairman.

4. Each book shall aggregate all nonpari-mutuel wagers in excess of $5,000 or smaller amounts when any single officer, employee, or agent of the book has actual knowledge of the wagers or would in the ordinary course of business have reason to know of the wagers between the book and a patron or a person who the book knows or has reason to know is the patron's confederate or agent during a designated 24hour period within a monitoring area.

5. Before completing a wager that, when aggregated with other wagers pursuant to subsection 4, will aggregate to an amount that will exceed $10,000, the book shall complete the identification and recordkeeping requirements described in subsection 1 of Regulation 22.061. When aggregated wagers exceed $10,000, the book shall complete the recording and reporting requirements of Regulation 22.061.

6. If a patron places a wager that pursuant to subsection 4 is to be aggregated with previous wagers for which a record has been completed pursuant to this section or Regulation 22.061, the book shall complete the identification, recordation and reporting procedures described in Regulation 22.061 for any additional wager regardless of amount occurring during a designated 24-hour period.

7. As used in this section:

(a) "Designated 24-hour period" means the 24-hour period ending at midnight each day unless otherwise approved by the chairman.

(b) "Monitoring area" means all race book and sports pool writing locations unless otherwise approved by the chairman.

(Adopted: 11/98. Amended: 6/30/07; 8/21/08; 5/17; 4/18. Effective: 3/1/99.)

22.063 Structured wagers.

1. A book, its officers, employees or agents shall not encourage or instruct the patron to structure or attempt to structure wagers. This subsection does not prohibit a book from informing a patron of the regulatory requirements imposed upon the book, including the definition of structured wagers.

2. A book, its officers, employees or agents shall not knowingly assist a patron in structuring or attempting to structure wagers.

3. As used in this section, "structure wagers" or "structuring wagers" means to willfully conduct or attempt to conduct a series of wagers in any amount, at one or more books, on one or more days in any manner as to willfully evade or circumvent the recording and reporting requirements of Regulation 22.061. The wager or wagers need not exceed the dollar thresholds in Regulation 22.061 at any single book in any single day in order to constitute structuring within the meaning of this definition. (Adopted: 11/98. Effective: 3/1/99.)

22.064 Required submissions to the board. [Repealed: 6/30/07.]

22.065 Imposition of supplemental recordkeeping and reporting requirements.

The chairman may require a book to comply with the identification, recordkeeping, and reporting requirements of

Regulations 22.061 and 22.062 for pari-mutuel wagers. The chairman shall notify the book of the decision, in writing, and such decision shall be considered an administrative decision, and therefore reviewable pursuant to the procedures set forth in Regulations 4.185, 4.190 and 4.195. (Adopted: 11/98. Effective: 3/1/99. Amended: 9/05.)

22.070 Grading of betting tickets. [Repealed: 1/1/99.]

22.080 Payment of winning wagers.

1. Except as otherwise provided in this subsection, books shall make payment on a winning wager to the person who presents the patron's copy of the betting ticket representing the wager. A book need not make payment to a person who the book or an agent or employee of the book knows is not the person to whom the patron's copy was issued. A book shall not make payment on a winning wager to a person who the book or its agent or employee knows or reasonably should know is collecting the payment on behalf of another for monetary consideration or in violation of federal law. A book may withhold payment of a winning wager if the patron refuses to supply identification or any other documentation required by state or federal law.

2. Presentment of the betting ticket and payment of the winning wager may be made at an affiliated book provided that:

(a) An adequate accounting of the payment is kept for 5 years by both books; and

(b) The payout is properly included in the computation of gross revenue of the licensee that initially accepted the wager.

3. Books shall honor winning betting tickets for 30 days after the conclusion of the event wagered upon unless a longer period is established by the book. The book shall state the redemption period on each betting ticket, in house rules and on notices conspicuously placed about the licensed premises. Payment by mail may be made only after presentment of the betting ticket and all identification information and documentation required by state or federal law, and must be made not later than 10 days after presentment. A book may accept a photocopy of a driver license or passport in lieu of an actual driver license or passport when presentment of the betting ticket is made by mail. Books shall maintain the information and documentation presented for a period of 5 years.

4. A licensed race book shall determine the winners of or payouts on wagers on horse and other animal races only with information the book receives from licensed disseminators pursuant to Regulations 20 and 21.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 7/87; 11/98; 9/05; 5/17; 4/18.)

22.090 Parlay card wagers.

1. As used in this section, "parlay card wager" means a wager on the outcome of a series of 3 or more games, matches, or similar sports events or on a series of 3 or more contingencies incident to particular games, matches or similar sports events.

2. Each sports pool that offers to accept parlay card wagers shall fully, accurately, and unambiguously disclose on all parlay card wagering forms:

(a) The amounts to be paid to winners or the method by which such amounts are to be determined and, if the sports pool limits payouts to an aggregate amount under subsection 3, the aggregate amount and the establishments to which it applies.

(b) The effect of ties.

(c) The minimum and maximum betting limits, if any.

(d) The procedure for claiming winnings, including but not limited to the documentation players must present to claim winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by mail.

(e) The effects of an event wagered on not being played on the date specified and of other events that will cause selections to be invalid.

(f) The requirement that a parlay card wager must consist of at least three selections that have not become invalid under applicable house rules or the wager will be void and the money wagered will be refunded.

(g) The rights, if any, reserved by the sports pool, including but not limited to reservation of the right to refuse any wager or delete or limit any selection prior to the acceptance of a wager, or to withhold payouts of specified amounts until the outcome of each proposition offered by the parlay card has been determined. (h) The requirement that the point spreads printed on the parlay card wagering form when the wager is accepted will be used to determine the outcomes of the wagers.

(i) That the sports pool's house rules apply to parlay cards unless otherwise stated on the parlay card wagering form.

3. As used in this subsection, "parlay card" means a wagering form offering exactly the same propositions on exactly the same terms.

(a) A sports pool, a sports pool and its outstation books, or a sports pool and its satellite books may limit the aggregate amount to be paid to winners on a parlay card in proportion to the amounts won, provided that the aggregate limit must not be less than the amount disclosed on the parlay card (the "base amount") plus twice the amount wagered on the parlay card at all establishments to which the aggregate limit applies.

(b) When a sports pool knows or reasonably should know that actual payouts on a parlay card will be limited by an aggregate amount established under paragraph (a), the sports pool shall cease accepting wagers and making payouts on the parlay card. After the outcome of the final game, match, or event covered by the parlay card has been determined, the sports pool shall pay each winner at least that proportion of the payout amount stated on the parlay card that the aggregate limit bears to total payouts (including payouts made prior to the suspension of payouts) that would otherwise have been made but for the limit.

(c) When a book ceases accepting wagers and making payouts on a parlay card under paragraph (b), the book may accept wagers on the parlay card on those propositions whose outcomes have not been determined if the parlay card, patron receipts, and related documentation are distinguishable from the card, receipts, and documentation as to which the book has ceased accepting wagers, in which case the parlay card shall be considered a different parlay card for purposes of this subsection.

(d) If a book pays the winner of a parlay card wager more than 10 percent of the base amount established under paragraph (a) before the outcome of every proposition offered by the parlay card has been determined, the book must pay every winner of a wager on that parlay card the proper payout amount stated on the parlay card in full and without regard to any aggregate limit established under paragraph (a).

(e) In specific cases the commission may waive or impose requirements more restrictive than the requirements of this subsection.

4. Prior to adopting or amending parlay card rules, a book shall submit such rules to the chairman for approval.

(Adopted: 7/85. Amended: 3/91; 11/98; 9/05; 5/17.)

22.100 Computerized bookmaking systems.

Before beginning operations, each book shall install and thereafter maintain a computerized bookmaking system meeting the specifications approved by the chairman.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 11/98. Effective: 1/1/99.)

22.110 Layoff bets.

Books may accept wagers placed by other books. Books may place wagers only with other books. A book that places a wager shall inform the book accepting the wager that the wager is being placed by a book and shall disclose its identity. (Adopted: 7/85. Effective: 9/1/85.)

22.115 Prohibition against rescission of wagers.

A book may not unilaterally rescind any wager without the prior written approval of the chairman. (Adopted: 5/89. Amended: 9/05.)

22.120 Prohibited wagers; exception for an event other than a horse race, greyhound race, or an athletic sports event.

1. No wagers may be accepted or paid by any book on:

(a) Any amateur sport or athletic event other than;

(1) Olympic sporting or athletic events sanctioned by the International Olympic Committee, subject to limitation by the chairman or the chairman's designee in his sole and absolute discretion, and (2) Collegiate sporting or athletic events;

(b) Any collegiate sport or athletic event which the licensee knows or reasonably should know, is being placed by, or on behalf of a coach or participant in that collegiate event. Each licensee shall take reasonable steps to prevent the circumvention of this regulation;

(c) The outcome of any election for any public office both within and without the State of Nevada;

(d) Any event, regardless of where it is held, involving a professional team whose home field, a court, or base is in Nevada, or any event played in Nevada involving a professional team, if, not later than 30 days before an event or the beginning of a series of events, the team's governing body files with the commission a written request that wagers on the event or series of events be prohibited, and the commission approves the request;

(e) Any virtual event unless:

(1) An approved gaming device is used to determine the outcome(s) and to display an accurate representation of the outcome(s) of the virtual event;

(2) A live display of the virtual event is offered to all approved sports pools; and

(3) The virtual event is approved pursuant to the procedures set forth in subsection 1(f); and

(f) Any event other than a horse race, greyhound race, or an athletic sports event, unless such event is:

(1) Administratively approved by the chairman in writing in accordance with subsection 3;

(2) After referral from the chairman, approved by the commission in accordance with subsection 5; or

(3) Approved by the board after review pursuant to Regulation 4.190 or, if applicable, approved by the commission after review pursuant to Regulation 4.195.

2. A request for approval to accept wagers on an event other than a horse race, greyhound race, or an athletic sports event shall be made by a book on such forms approved by the chairman, and shall include:

(a) A full description of the event and the manner in which wagers would be placed and winning wagers would be determined.

(b) A full description of any technology which would be utilized to offer the event.

(c) Such other information or documentation which demonstrates that:

(1) The event could be effectively supervised;

(2) The outcome of the event would be verifiable;

(3) The outcome of the event would be generated by a reliable and independent process;
(4) The outcome of the event would be unlikely to be affected by any wager placed;
(5) The event could be conducted in compliance with any applicable laws; and
(6) The granting of the request for approval would be consistent with the public policy of the state. (d) Such additional or supplemental information as the chairman may require.

➥ The decision whether to grant approval to accept wagers on an event other than a horse race, greyhound race, or an athletic sports event shall be based on all relevant information including, but not limited to, the factors in subsection 2(c) of this section. The chairman may subject any technology that would be utilized to offer the event to such testing, investigation and approval process as he deems appropriate.

3. The chairman may refer a request for approval to the full board and commission for consideration, or grant, deny, limit, restrict or condition a request made pursuant to subsection 2 for any cause he deems reasonable. A book aggrieved by an administrative decision of the chairman may submit the matter for review by the board and commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.

4. The chairman is hereby granted the authority to issue an interlocutory order, revoking or suspending any administrative approval granted pursuant to subsection 3 for any cause deemed reasonable. An interlocutory order shall be deemed delivered and effective when personally served upon the book, or if personal service is impossible or impractical, when deposited, postage prepaid, in the United States mail, to the book at its address as shown in the records of the commission. If an interlocutory order revoking or suspending the administrative approval is issued, the effected book may request that the order be reviewed by the board and commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.

5. Whenever the chairman refers a request for approval to the board and commission for consideration, the request shall be deemed an application and the book which submitted the request shall submit the application fee set forth in subsection 3 of NGC Regulation 4.070. Such application shall be included on the agenda of the next regularly scheduled meeting of the board occurring more than 10 working days after receipt of the application fee and, thereafter, on the agenda of the next regularly scheduled meeting of the commission. The commission, after considering the recommendation of the board, may grant, deny, limit, restrict or condition the application for any cause it deems reasonable and the decision of the commission shall be final and shall not be subject to any further administrative or judicial review.

6. Upon approval of the acceptance of wagers on an event other than a horse race, greyhound race, or an athletic sports event pursuant to the provisions of subsection 1(f), the board shall provide public notice of such approval including any conditions and limitations placed on such approval. Such notice shall occur by publication on the board's website as close as practicable to the time at which the commission, chairman, or board approves the other event. Thereafter, any book may accept wagers on such other event pursuant to the approval and any conditions and limitations placed thereon.

7. For purposes of subsection 1, "professional team" means two or more persons who join together to participate in athletic sports events and who receive any compensation in excess of actual expenses for their participation in such events.

8. For purposes of this regulation, "collegiate sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level.

(Adopted: 7/85. Amended 1/01; 9/05; 1/11; 2/26/15; 4/18.)

22.121 Reports of suspicious transactions.

1. As used in this section, "suspicious transaction" means a transaction which a book knows or, in the judgment of it or its directors, officers, employees or agents, has reason to suspect:

(a) Is, or would be if completed, in violation of, or is part of a plan to violate or evade, any federal, state or local law or regulation;

(b) Is, or would be if completed, wagering by, or on behalf of, a coach or participant in a sporting event or other event on such event; or

(c) Has no business or apparent lawful purpose or is not the sort of transaction the particular patron would normally be expected to perform, and the book knows of no reasonable explanation for the transaction after examining the available facts, including the background of the transaction.

2. A book:

(a) Shall file with the board, by using a form developed by the board, a report of any suspicious transaction, if it involves or aggregates to more than $5,000 in funds or other assets; and

(b) May file a report of any suspicious transaction, regardless of the amount if the licensee believes it is relevant to the possible violation of any law or regulation.

3. The report in subsection 2(a) shall be filed no later than 30 calendar days after the initial detection by the licensee of facts that may constitute a basis for filing such a report. In situations involving violations that require immediate attention, the licensee shall immediately notify, by telephone, the board in addition to timely filing a report.

4. A licensee shall maintain a copy of any report filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the report. Supporting documentation shall be identified, and maintained by the licensee as such, and shall be deemed to have been filed with the report. A licensee shall make all supporting documentation available to the board and any appropriate law enforcement agencies upon request.

5. A licensee and its directors, officers, employees, or agents who file a report pursuant to this regulation shall not notify any person involved in the transaction that the transaction has been reported. Any report filed with the board is confidential under NRS 463.120 and is privileged under NRS 463.3407 and may be disclosed only by the board and the commission in the necessary administration of their duties and responsibilities under the Nevada Gaming Control Act. Any report, whether written or oral, is absolutely privileged under NRS 463.3407 and does not impose liability for defamation or constitute a ground for recovery in any civil action.

(Adopted: 1/01. Effective: 02/07/01. Amended: 8/21/08; 4/18.)

22.125 Wagers; terms and conditions.

1. No book shall:

(a) Accept from a patron, directly or indirectly, less than the full face value of an off-track pari-mutuel wager;

(b) Agree to refund or rebate to a patron any portion or percentage of the full face value of an off-track pari-mutuel wager; or

(c) Increase the payoff of, or pay a bonus on, a winning off-track pari-mutuel wager.

2. The provisions of this subsection do not prohibit the granting of the following by a book, including a satellite book, or a licensed gaming establishment where a book is located, or an affiliate of one or more of those entities that holds a nonrestricted gaming license:

(a) Room, food, beverage, racing data subscriptions or services, including but not limited to broadcasts, periodicals and electronic publications or services, that are available to the public from other sources, tobacco, or other services, including spa services, movies, bowling and entertainment admission;

(b) Limousine or other car service transportation to and from the gaming establishment where the book is located; or

(c) Merchandise or other non-cash equivalents not exceeding $100 per patron per week with the value of such $100 determined by the book's or the licensed gaming establishment's cost.

3. A book, including a satellite book, or a licensed gaming establishment where a book is located, or an affiliate of one or more of those entities that holds a nonrestricted gaming license, may award player loyalty program points based on pari-mutuel wagers placed by a patron, however, such points may only be redeemed in accordance with the rules of the program, provided that points earned based on pari-mutuel wagers may not be redeemed for cash, items or services that the book intends to or does redeem for cash, or free-play on any gaming device or gambling game, or for items or services that do not fall under one of the exceptions listed under subsection 2.

4. A book shall not, in an attempt to provide a benefit to the patron in violation of subsection 1, offer a wagering proposition, or set or move its wagering odds, lines or limits.

5. The chairman may require a book to:

(a) Disclose its betting limits in its house rules and obtain approval from the chairman before changing those limits or modifying its house rules; and

(b) Document and report, in such manner as the chairman may approve or require, wagering limits, temporary changes to such limits, or the acceptance of a wager or series of wagers from the same patron that exceeds such limits. The report may include, but is not limited to:

(1) Recording the name of the patron for which betting limits are changed or exceeded;

(2) Recording the name of the employee approving the acceptance of a wager that exceeds betting limits or causes a change in betting limits;

(3) Describing the nature of the temporary change and any related wagers; and

(4) Describing how the temporary change in limit will benefit the licensee.

➥ The chairman shall notify the book, in writing, of the decision to impose such requirements and such decision shall be considered an administrative decision and, therefore, reviewable pursuant to the procedures set forth in Regulations 4.185, 4.190 and 4.195.

6. A book shall not set lines or odds, or offer wagering propositions, designed for the purposes of ensuring that a patron will win a wager or series of wagers.

(Adopted: 12/98. Effective: 1/1/99. Amended 9/05; 4/16.)

22.130 Communications technology.

1. Before installing or permitting the installation of any communications technology on the premises of a book or a call center, the book or the call center shall notify the chairman in writing of the location and number or other identifier of each communications technology and shall obtain the written approval of the chairman for each communications technology. The chairman may condition the approval in any manner the chairman considers appropriate.

2. Before a book accepts any wagering communications, and before a call center accepts any wagering instructions, the book and the call center must obtain the written approval of the chairman to accept such wagering communications and wagering instructions, and thereafter use only the communications technology approved for that purpose. The book or the call center must obtain written permission from the chairman by October 1st of each calendar year to continue using the communications technology.

3. As a condition to the granting of the privilege of having communications technology upon the licensed premises, the book and the call center shall be deemed to have consented to the authority of the chairman to require the immediate removal of any communications technology from the licensed premises at any time without prior notice of hearing. After any such removal, the book or the call center may request a hearing before the board as to whether or not

circumstances may warrant the permanent revocation of the privilege of having communications technology upon the premises.

4. Upon the request of either the board or commission, a book or a call center shall provide a written consent for the board or commission to examine and copy the records of any telephone, telegraph, or other communications company or utility that pertain to the operation of the book or the call center.

5. A call center system is associated equipment requiring approval pursuant to Regulation 14.260.

6. A book receiving wagering instructions from a call center system shall comply with the requirements of Regulation 14.290 prior to the use of this system.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 9/05; 8/21/08; 4/18.)

22.135 Use of communications devices prohibited. [Repealed: 8/21/08.]

22.140 Wagering communications; establishing patron wagering accounts for sports, nonparimutuel race, and other event wagering.

1. A book may only accept a sports wager, nonpari-mutuel race wager, or other event wager made in person unless the transmission of a wager is initiated from within the State of Nevada. Each book must conspicuously display signs to that effect on its premises.

2. An operator of a call center shall not accept wagering instructions for sports wagers, nonpari-mutuel race wagers, or other events wagers unless the transmission of the wagering instructions is initiated from within the State of Nevada.

3. A book may only accept a pari-mutuel horse race wager made in person unless a pari-mutuel horse race account wager is accepted pursuant to the provisions of Regulation 26C. Each book must conspicuously display signs to that effect on its premises.

4. Each Group I licensee that accepts wagering communications shall establish and implement pursuant to Regulation 6 a system of internal control for such transactions, and comply with both its system of internal control and the Regulation 6.090 minimum internal control standards. Each Group II licensee that accepts wagering communications shall comply with the Regulation 6.100 internal control procedures.

5. Each book shall prepare a written description of its rules and procedures for wagering communications, and shall make a copy available to each patron for whom a wagering account is established.

6. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, on any nonpari-mutuel race wager, or on any other event wager, the following must occur:

(a) A book must register patrons and create wagering accounts in accordance with Regulation 5.225 except as follows:

(1) For purposes of presenting a government issued picture identification credential to confirm the patron's identity, a patron may either personally appear before an employee of the licensee at which the book is located as provided in subsection 7 of Regulation 5.225 or before an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book.

(2) A book may register and create wagering accounts for patrons, including inspecting a patron's government issued picture identification credential to confirm their identity as required by subsection 7 of Regulation 5.225, by filing a request with the chairman for permission to have its employees register and create wagering accounts for patrons outside the premises of the book. The request must include a comprehensive marketing plan setting out, at a minimum, the types of locations and types of potential patrons to which a book intends to send its employees for the purposes of registering and creating wagering accounts for patrons. A book may not act under its marketing plan prior to the chairman approving the

request. The chairman may impose limitations and conditions on any approved request. The chairman may rescind approval of a request of a book to have its employees register and create wagering accounts outside the premises of the book upon written notice to the book. Wagering accounts may not be created pursuant to such marketing plan outside the State of Nevada;

(b) In addition to the requirements of Regulation 5.225, before registering a patron for a wagering account, the book must have the patron affirm that the patron has been informed and acknowledges that:

(1) Patrons are prohibited by law from placing sports wagers, nonpari-mutuel race wagers, and other event wager wagers from outside Nevada and that the book is prohibited from accepting such wagers; and

(2) With regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of regulation 26C.

(c) Notwithstanding the requirements of subsection 5 of Regulation 5.225, for a business entity patron, the patron must provide an employee of the book with the information required pursuant to NRS 463.800 before the book registers and creates a wagering account for the patron. The employee must record such information. Unless a book has otherwise been granted approval by the chairman pursuant to subsection 6(a)(2) of this section, the information required pursuant to NRS 463.800 shall be provided by the patron to an employee of the book at the premises of the book or, for central site books, at an outstation, satellite or affiliated book.

7. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, nonpari-mutuel race wager, or other event wager from another book:

(a) The authorized employee of the other book must personally appear at the premises of the book or, for central site books, at an outstation, satellite or affiliated book, to open a wagering account; (b) The book employee must record:

(1) The authorized employee of the other book's name, permanent business address (other than a post office box number), and business telephone number;

(2) The documents used to verify the other book is a book, the authorized employee is an employee of the other book and is authorized to open this wagering account;

(3) The amount of the authorized employee of the other book's initial wagering account or front money deposit;

(4) The authorized employee of the other book's account number with the book; and

(5) The date the authorized employee of the other book's account with the book is opened;

(c) The authorized employee of the other book must sign, in the presence of a supervising employee of the book, statements attesting that the authorized employee of the other book:

(1) Confirms the accuracy of the information recorded;

(2) Has received a copy, or has had a copy made available to them, of the book's rules and procedures for wagering communications;

(3) Has been informed and understands that authorized employees of other books that establish a wagering account pursuant to this subsection are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;

(4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C; and

(5) Consents to the monitoring and recording by the board and the book of any wagering communication; and

(d) The employee who verifies the authorized employee of the other book's information and who obtains and records the information on behalf of the book and the supervising employee described in

subparagraph (c), must each sign statements that they witnessed the authorized employee's signature and confirmed the authorized employee of the other book's identity and residence.

8. In addition to the posting of the wager in the computerized bookmaking system, all wagering communications shall be electronically recorded and retained for a period of 60 days. The method of recording the wager must be approved by the chairman. Such recordings must be made immediately available to any board agent upon request.

9. All wagering account applications or amendments thereto for active accounts must be retained by the book. All wagering account applications or amendments thereto for rejected applications shall be retained by the book for no less than one year following the rejection of the related application. All wagering account applications or amendments thereto for closed accounts shall be retained by the book for no less than one year following the closure of the related wagering account.

10. A book shall not allow the use of a wagering account established pursuant to this section for forms of wagering other than sports wagering, nonpari-mutuel race wagering, or other event wagering unless:

(a) The establishment and use of the wagering account otherwise meets all of the requirements of Regulation 5.225; and

(b) Administrative approval has been granted by the chairman.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 11/98; 9/05; 8/08; 1/11; 11/15; 5/17.)

22.145 Account wagering systems.

Account wagering systems shall:

1. For systems that use other than voice-only wagering communications technology, provide for the patron's review and confirmation of all wagering information before the wagering communication is accepted by the book. The system shall create a record of the confirmation. This record of the confirmation of the wager shall be deemed to be the actual transaction of record, regardless of what wager was recorded by the system;

2. Prohibit wagers from being changed after the patron has reviewed and confirmed the wagering information, and the specific wagering communication transaction has been completed;

3. Prohibit the acceptance of wagers after post time except those originated after post time that are approved in the same manner as other events approved pursuant to Regulation 22.120;

4. Prohibit a book from accepting an account wager, or a series of account wagers, in an amount in excess of the available balance of the wagering account;

5. Prohibit a book from accepting out-of-state sports wagers and out-of-state nonpari-mutuel horse race wagers;

6. Post payment on winning account wagers as a credit to the patron's wagering account as soon as reasonably practicable after the event is declared official;

7. Maintain a completely separate wagering account for pari-mutuel horse race wagers. Wagering accounts for pari-mutuel sports wagers, nonpari-mutuel horse race wagers and nonpari-mutuel sports wagers may be commingled in a single wagering account;

8. Maintain complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account; and

9. For systems that use other than voice-only wagering communications technology, produce a printable record of the entire transaction as required by this section and shall not accept any wagering communication or transaction if the printable record system is inoperable.

(Adopted: 9/05. Amended: 1/27/11.)

22.147 Account wagering rules. [Repealed 5/18/17.]

22.150 House rules.

Each book shall adopt, conspicuously display at its licensed premises, and adhere to written, comprehensive house rules governing wagering transactions with patrons. Without limiting the generality of the foregoing, the rules must specify the amounts to be paid on winning wagers, the effect of schedule changes, the redemption period for winning tickets, and the method of noticing odds or line changes to patrons. House rules must state that wagers may be accepted at other than the currently posted terms, if applicable. Prior to adopting or amending such house rules, a book shall submit such rules to the chairman for approval.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 01/11. Effective: 1/1/99.)

22.155 Business entity wagering.

1. A book shall notify the board in writing of its intent to accept wagers from business entities which have met all of the applicable requirements found in NRS Chapter 463.
2. A book is prohibited from accepting wagers from a business entity unless all of the business entity's owners, directors, officers, managers, partners, holders of indebtedness, and anyone entitled to payments based on profits or revenues of the entity are fully disclosed. If the business entity is owned or controlled by one or more holding companies, each of the holding companies' owners, directors, officers, managers, partners, holders of indebtedness and everyone entitled to payments based on profits or revenues of the entity must be fully disclosed.
3. A book which elects to accept wagers from business entities must conduct due diligence on each business entity from which the book will accept wagers which, at a minimum, includes, but is not limited to: (a) Requiring the business entity to affirm that it has met all of the applicable requirements found in NRS Chapter 463 and this section and that it is not established for the purpose of circumventing any applicable federal or state laws including, but not limited to, laws concerning illegal sports wagering, electronic communications, and money laundering;
   (b) Ascertaining all equity owners, holders of indebtedness, directors, officers, managers, partners, anyone entitled to payments based on the profits or revenues, and any designated individuals; and
   (c) Ascertaining the natural person who is the source of funds for each contribution to the business entity.

➥ A book shall maintain records of the due diligence it performs on a business entity for no less than one year following the closure of the wagering account of the business entity or for no less than one year after rejection of a business entity wagering account application by the book.

4. A book shall not accept wagers from a business entity if:
   (a) The business entity does not make the affirmation or disclosures required by subsections 2 or 3(a);
   (b) The book is unable to verify the identity of all the equity owners, holders of indebtedness, directors, officers, managers, partners, anyone entitled to payments based on the profits or revenues, and any designated individuals of the business entity; or
   (c) The book is unable to verify the natural person who is the source of funds for each contribution to the business entity.
5. Upon receipt of updated information from a business entity, a book shall verify the updated information. If a book is unable to verify the updated information within 30 days of the book's receipt of the updated information from the business entity, the book shall suspend the wagering account and not allow further wagering activity on the wagering account.

6. A book shall require a business entity from which the book accepts wagers to provide:

(a) For business entities from which the book accepts wagers aggregating more than $5,000,000 in a calendar year, an independent third-party verification concerning to whom the business entity made payments based on profits or revenues to ensure no payments were made to persons other than those permitted by NRS Chapter 463 to receive such payments. If the book does not receive a copy of the independent third-party verification prior to April 1st of the year following the year in which the business entity placed wagers in excess of $5,000,000, the book shall suspend the wagering account and not allow further wagering activity on the wagering account or

(b) For business entities from which the book accepts wagers aggregating $5,000,000 or less within a calendar year, an affirmation stating the business entity did not make payments based on profits or revenues to persons other than those permitted by NRS Chapter 463 to receive such payments. If the book does not receive such affirmation prior to April 1st of the year following any year in which the business entity placed wagers with the book, the book shall suspend the wagering account and not allow further wagering activity on the wagering account.

7. A book shall report any violation or suspected violation of law or regulation related to business entity wagering to the board immediately. Such reporting shall include, but is not limited to, any violation or suspected violation of relevant federal laws such as The Federal Wire Act 18 U.S.C. § 1084, the Illegal Gambling Business Act 18 U.S.C. § 1955, and Title 31 anti-money laundering laws.

8. A book may only accept wagering activity from a business entity, acting through one or more designated individuals, through a wagering account established by the business entity and may only deposit winnings into such wagering account. The book must use an account wagering system for such wagering activity. The requirement to use an account wagering system is effective on January 1, 2017.

9. A book shall not extend credit to a business entity.

10. A book shall report the suspension or closure of a business entity wagering account to the board within 5 days of suspension or closure and shall include the reason for such suspension or closure in the report. A book shall report the reinstatement of a suspended business entity wagering account to the board within 5 days of reinstatement and shall include the reasons the book reinstated the wagering account.

11. A book that accepts wagers from business entities shall adopt, conspicuously display at its premises, and adhere to house rules governing business entity wagering transactions.

12. A book that accepts wagers from business entities shall implement policies and procedures designed to ensure that business entities' wagering accounts are used only to place book wagers.

13. As used in this section, "holding company" means any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization which, directly or indirectly:

(a) Owns, as defined in Regulation 15.482-6;
(b) Controls, as defined in Regulation 15.482-4; or
(c) Holds with power to vote

➥ any part of a business entity subject to this section. In addition to any other reasonable meaning of the words used, a holding company "indirectly" has, holds or owns any power, right or security if it does so through any interest in a subsidiary or successive subsidiaries, however many such subsidiaries may intervene between the holding company and the business entity subject to this section. (Adopted: 11/15. Amended 5/17.)

22.160 Wagering account transactions.

1. Except as otherwise provided herein, deposits, withdrawals, credits, and debits to wagering accounts shall be made in accordance with Regulation 5.225.

2. Business entity wagering account deposits and withdrawals may only be made by transfers to and from the bank or financial institution account maintained by the business entity. Business entity wagering account deposits and withdrawals may not be made in cash.

(Adopted: 9/05. Amended: 11/15; 5/17.)

22.165 Use of an operator of a call center.

1. A licensed Nevada book shall not utilize an operator of a call center unless the operator of the call center has been found suitable by the commission.

2. The call center system, or a component of such a system, will record patron instructions received and transmitted to a licensed Nevada book and the date/time instructions are received from a patron for: (a) Sports wagers and nonpari-mutuel horse race wagers to be placed; and (b) Any other wagering instructions as may be approved by the chairman.

3. The operator of a call center performs such patron services as:

(a) Receiving sports and nonpari-mutuel horse race wagering instructions from a patron;

(b) Providing help desk responses to patrons and the general public concerning sports wagers and nonpari-mutuel horse race wagers at a licensed Nevada book; and

(c) Such other patron services as may be approved by the chairman.

4. In addition to the posting of the wager at a licensed Nevada book, all wagering instructions shall be electronically recorded and retained for a period of 60 days. The method of recording the wagering instructions must be approved by the chairman. Such recordings must be made immediately available to any board agent upon request.

5. The operator of a call center shall allow the members of the commission, the board, their agents and employees to immediately inspect and examine the premises and immediately inspect, examine, photocopy, and examine all papers, books, and records, on the premises, or elsewhere as practicable.

6. The operator of a call center shall only use communications technology approved pursuant to Regulation 22.130.

7. The operator of a call center shall operate in compliance with all applicable provisions of this regulation that may apply to it or the licensed Nevada book using its services.

8. The licensed Nevada book shall maintain responsibility for any operator of a call center, used by the book, to operate in compliance with all state and federal laws and regulations, as applicable.

9. Violation of any applicable law or regulation by an operator of a call center constitutes reasonable cause for disciplinary action.

(Adopted: 8/21/08. Effective: 8/21/08.)

22.170 Credit accounts. [Repealed: 9/27/05.]

22.180 Gross revenue computations and layoff bets.

The amounts of wagers placed by a book and the amounts received by the book as payments on such wagers shall not affect the computation of the book's gross gaming revenue.

(Adopted: 7/85. Effective: 9/1/85.)

22.190 Assigned agent.

The board may at any time require a book to allow an agent of the board to be permanently present on the book's premises during all hours of operation, and to require the costs and expenses for such agent to

be borne by the book in a manner deemed reasonable by the board. The agent shall have full and complete access to all books, records, and to any telephone conversations emanating from or received at the licensed premises. (Adopted: 7/85. Effective: 9/1/85.)

22.195 Records and reports for users and buyers.

Each "user", as defined in NRS 463.4218, who uses information included in a live broadcast to determine winners of and payoffs on wagers accepted at the user's race book, and each "buyer", as defined by Regulation 20.010(2), shall comply with the recording and reporting requirements specified in Regulations 20.030, 20.060, 21.080 and 21.090. (Adopted: 01/27/11. Effective: 01/27/11.)

22.200 Records and forms.

Books shall create and maintain the records and reports required by this regulation in such manner and using such forms as the chairman may require or approve. The chairman may require books to create and maintain such other records and reports as are necessary or convenient for strict regulation of books. Except as otherwise provided in this regulation, books shall preserve the records required by this regulation for at least 5 years after they are made. The board may at any time examine and copy the records of any book. Each book shall comply with all other applicable regulations of the commission to the extent not in conflict with this regulation. (Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 1/11.)

22.210 Sunset provision. [Repealed: 8/23/01.]

22.220 Global Risk Management.

1. A book engaging in global risk management may provide direction, management, consultation, and/or instruction to the operator of a wagering pool located in a permissible jurisdiction concerning:

(a) The management of risks associated with a wagering pool for a race or sporting event or any other event for which the wagering pool is permitted to accept wagers;

(b) The determination of where lines, point spreads, odds, or other activity relating to betting or wagering are initially set and the determination of whether to change such lines, point spreads, odds, or other activity relating to betting or wagering;

(c) Whether or not to accept or reject bets or wagers, to pool bets or wagers, or to lay off bets or wagers;

(d) The use, transmittal, and accumulation of information and data for the purpose of providing global risk management; and

(e) Any other activity associated with a wagering pool if approved in writing by the chairman prior to a book commencing direction, management, consultation, and/or instruction concerning the activity.

(f)

2. A book which intends to provide global risk management shall:

(a) Enter into a written agreement to provide global risk management with any operator of a wagering pool to which the book proposes to provide global risk management. A copy of such executed agreement with an operator of a wagering pool located outside of Nevada shall be provided to the chairman no later than the date on which the book commences global risk management for the operator of the wagering pool;

(b) Provide details to the chairman regarding any permissible jurisdiction other than Nevada where the book intends to provide global risk management no later than the date on which the book commences global risk management in such permissible jurisdiction;

(c) No later than the date on which a book commences global risk management, submit the book's systems of accounting and internal control utilized for global risk management to the chairman. Such systems must include provisions for complying with all federal laws and regulations; and

(d) Provide such other information as the chairman may require concerning global risk management.

(e)

3. In addition to the requirements contained in subsection 2 of this section, at least 30 days prior to providing global risk management to a Nevada licensee, a book shall submit to the chairman the written agreement for the global risk management provided to the Nevada licensee. The chairman may object in writing to such agreements in the chairman's sole and absolute discretion. If the chairman objects to an agreement, the book shall not provide global risk management to the Nevada licensee until the book has resubmitted the agreement to the chairman, and the chairman has indicated in writing that he does not object to the resubmitted agreement.

(Adopted: 8/15. Effective 8/20/2015.)

End – Regulation 22

REGULATION 26B

OFF-TRACK PARI-MUTUEL SPORTS WAGERING AND OFF-TRACK PARI-MUTUEL OTHER EVENT WAGERING

26B.010 Scope.

This regulation governs and its applicability is limited to off-track pari-mutuel wagering on sporting events and other events for which a license or approval has been granted by the commission pursuant to chapter 464 of the Nevada Revised Statutes. The provisions of chapter 463 of the Nevada Revised Statutes and all other regulations of the commission apply when not in conflict with this regulation.

(Adopted: 3/93. Amended 6/17.)

26B.020 Definitions.

As used in this regulation:

1. "Breakage" means the odd cents over a multiple of ten cents arising from the computation of odds and payoffs on off-track pari-mutuel sports wagers.
2. "Chairman" means the chairman of the board or his designee.
3. "Commission on wagers" means an amount retained and not returned to patrons by a pari-mutuel sports book from the aggregate amount of off-track pari-mutuel sports wagers.
4. "Common pari-mutuel pool" means a pari-mutuel wagering pool consisting of the off-track parimutuel sports wagers placed at two or more pari-mutuel sports books.
5. "Manual merge" means the process used in the event of a systems or communications failure by which participating pari-mutuel sports books transmit to the systems operator through telephone, telecopy, cellular or other means of communication, the sports books' wagering information, and the process by

which the systems operator includes the off-track pari-mutuel sports wagers in the common pari-mutuel pool in such event.

6. "Off-track pari-mutuel sports system" means a computerized system or component of a system that is used to receive wagering information from and transmit pool data to a pari-mutuel sports book.

7. "Off-track pari-mutuel sports wager" means a pari-mutuel wager on a sporting event or other event offered as part of a common pari-mutuel pool, whether or not the wager is actually included in the common pari-mutuel pool.

8. "Other event" means any event other than a horse race, dog race, or athletic sporting event.

9. "Pari-mutuel sports book" means an establishment within this state that has been licensed to accept off-track pari-mutuel sports wagers pursuant to the provisions of chapters 463 and 464 of the Nevada Revised Statutes and this regulation, or an out-of-state facility approved to accept off-track pari-mutuel sports wagers. Where applicable, the term also includes a person or governmental agency from outside this state that operates such a facility, and an association of such facilities.

10. "Pool data" means data regarding the results, payoffs, odds or payoff prices, and the aggregate amount of off-track pari-mutuel sports wagers accepted on each sporting event or other event by all parimutuel sports books.

11. "Post time" means five minutes before the scheduled start of a sporting event or other event or such other time as designated by the chairman.

12. "Sporting event" means an individual race, game, match or contest, and any group, series or part thereof. The term does not include horse or dog races.

13. "Systems operator" or "operator of a system" means a person engaged in providing the off-track pari-mutuel sports system or services directly related to the reconciliation of a common pari-mutuel pool and transfers of funds between the participating pari-mutuel sports books.

14. "Wagering information" means the amount of off-track pari-mutuel sports wagers accepted for each sporting event or other event by a single pari-mutuel sports book. (Adopted: 3/93. Amended 6/17.)

26B.030 License required to accept off-track pari-mutuel sports wagers; application.

1. A person shall not accept off-track pari-mutuel sports wagers in Nevada unless he has received a license pursuant to chapters 463 and 464 of the Nevada Revised Statutes to accept such wagers. A license to accept off-track pari-mutuel sports wagers shall only be granted to a nonrestricted operation licensed to accept wagers on sporting events or other events.

2. An application for a license to accept off-track pari-mutuel sports wagers must be submitted using such forms as the chairman approves. The application must be accompanied by an internal control system that complies with Regulation 6.

(Adopted: 3/93. Amended 6/17.)

26B.040 Conduct of off-track pari-mutuel sports wagering.

1. Off-track pari-mutuel sports wagering may be conducted only at a pari-mutuel sports book.

2. A pari-mutuel sports book shall comply with the provisions of Regulation 22 when not in conflict with this regulation.

3. A pari-mutuel sports book shall not accept off-track pari-mutuel sports wagers after post time. Offtrack pari-mutuel sports wagers become final at the start of the sporting event or other event.

4. A pari-mutuel sports book shall conspicuously display, at periodic intervals to be determined by the chairman, both the aggregate amount of off-track pari-mutuel sports wagers accepted and the odds for each sporting event or other event on which off-track pari-mutuel sports wagering is being conducted.

5. A pari-mutuel sports book shall pay winning off-track pari-mutuel sports wagers in accordance with the pari-mutuel payoff on the off-track pari-mutuel sports wagers accepted on a sporting event or other event, irrespective of whether all wagering information from all pari-mutuel sports books actually was included in the common pari-mutuel pool.

6. A pari-mutuel sports book shall return at least one dollar and five cents for each winning dollar wagered.

7. The pari-mutuel sports books shall be jointly responsible for any deficiencies and shall share in any excesses resulting from the requirements of subsections 5 and 6 of this section.

8. A pari-mutuel sports book shall not pay any systems operator or any other pari-mutuel sports book any compensation for the right to be part of a common pari-mutuel pool unless the agreement setting forth the terms of the compensation has been approved pursuant to section 26B.140 of this regulation.

9. A pari-mutuel sports book shall adopt, conspicuously display, and adhere to written house rules governing off-track pari-mutuel sports wagering transactions with patrons. Prior to adopting or amending such house rules, a pari-mutuel sports book shall submit the rules to the chairman for his approval.

10. A pari-mutuel sports book shall allow a patron to cash an outstanding off-track pari-mutuel sports wagering ticket for at least 30 days from the date the sporting event is concluded. A ticket which is not redeemed within such time becomes valueless, unless the time period is extended by the licensee, and the sum of money represented by the ticket shall then accrue to the issuing licensee. (Adopted: 3/93. Amended 6/17.)

26B.050 Approval to share in revenues; application.

1. A pari-mutuel sports book shall not share the revenue from off-track pari-mutuel sports wagering with any person unless the person who is to share in the revenue has been licensed by or received approval from the commission.

2. An application for approval to receive a share of the revenue from off-track pari-mutuel sports wagering must be submitted using such forms as the chairman approves. (Adopted: 3/93.)

26B.060 Criteria for licensing and approval to share in revenue. The board and the commission may consider the criteria of NRS 463.170 in determining whether to recommend and grant an off-track parimutuel sports wagering license or recommend and approve an application by a person to receive a share of the revenue from off-track pari-mutuel sports wagering. (Adopted: 3/93.)

26B.070 Requirements imposed upon out-of-state pari-mutuel sports books approved to share in the revenue or otherwise receive compensation.

1. An out-of-state pari-mutuel sports book approved to share in the revenue or otherwise receive compensation from pari-mutuel sports books within this state for the right to be part of a common parimutuel pool shall comply with all applicable state and federal laws regarding wagers on sporting events or other events for which it is offering a common pari-mutuel pool.

2. An out-of-state pari-mutuel sports book approved to share in the revenue from off-track pari-mutuel sports wagering shall maintain a revolving fund with the board in an amount determined by the chairman, which may not exceed $10,000 without commission approval, for post-approval investigative costs. (Adopted: 3/93. Amended 6/17.)

26B.080 Participation in common pari-mutuel pool.

All pari-mutuel sports books in Nevada must be offered the right to accept wagers in a common pari-mutuel pool at the same fee or rate. (Adopted: 3/93.)

26B.090 Licensing of off-track pari-mutuel sports systems operator.

1. A pari-mutuel sports book shall not use an off-track pari-mutuel sports system unless the systems operator has been licensed by the commission.

2. An application for a license to serve as a systems operator must be submitted using such forms as the chairman approves. The application must be accompanied by an internal control system that complies with Regulation 6.

(Adopted: 3/93.)

26B.100 Requirements imposed upon systems operator.

As used in this section, the term "chairman" means the chairman or other member of the board designated by the chairman.

1. Each systems operator shall maintain an office in Nevada and designate a key employee located in the Nevada office to supervise and be responsible for the day-to-day operations of the off-track parimutuel sports system.

2. Each systems operator shall comply with the internal control system and all amendments to such system as have been approved by the chairman pursuant to Regulation 6. Each systems operator shall, if required by the chairman, amend the written internal control system to comply with any requirements consistent with Regulation 6 that he deems appropriate.

3. Each systems operator shall prepare financial statements covering all financial activities of the systems operator for each business year and shall engage an independent accountant licensed by the Nevada state board of accountancy to audit the financial statements in accordance with generally accepted auditing standards, unless the chairman allows the systems operator upon written request to engage the independent accountant to review the financial statements in accordance with standards established by the American Institute of Certified Public Accountants.

4. Each systems operator shall submit to the board two copies of its audited or reviewed financial statements not later than 120 days after the last day of the system operator's business year.

5. If a systems operator changes its business year, the systems operator shall prepare and submit to the board audited or reviewed financial statements covering the "stub" period from the end of the previous business year to the beginning of the new business year, not later than 120 days after the end of the stub period or incorporate the financial results of the stub period in the financial statements for the new business year.

6. Reports that directly relate to the independent accountant's review or audit of the systems operator's financial statements must be submitted within 120 days after the end of the systems operator's business year.

7. Each systems operator shall require the independent accountant engaged by the systems operator to audit or to review the systems operator's financial statements to submit to the systems operator two copies of a written report of its compliance with the internal control system approved by the chairman. Not later than 150 days after the end of the systems operator's business year, the systems operator shall submit a copy of the independent accountant's report or any other correspondence directly relating to the systems operator's system of internal control to the board, accompanied by the systems operator's statement addressing each item of noncompliance noted by the independent accountant and describing the corrective measures taken.

8. The chairman may request additional information and documents from either the systems operator or the systems operator's independent accountant, through the systems operator, regarding the financial statements or the services performed by the independent accountant.

9. Each systems operator shall maintain a revolving fund with the board in an amount determined by the chairman, which may not exceed $10,000 without commission approval, for post-licensing investigative costs.

(Adopted: 3/93.)

26B.110 Approval of off-track pari-mutuel sports system. A pari-mutuel sports book shall not use an off-track pari-mutuel sports system unless the system has been approved pursuant to the provisions of Regulation 14 governing associated equipment.

(Adopted: 3/93.)

26B.120 Minimum technical requirements for off-track pari-mutuel sports systems.

An off-track pari-mutuel sports system must include a fully redundant computer system and must:

1. Receive and aggregate by pool all off-track pari-mutuel sports wagering information received separately from each of the pari-mutuel sports books;
2. Receive and report to each pari-mutuel sports book at periodic intervals to be approved by the chairman all pool data compiled through the system;
3. After each sporting event or other event on which off-track pari-mutuel sports wagering is conducted, report to each pari-mutuel sports book the results and payoffs; and
4. Provide all accounting and reconciliation reports required by the chairman. (Adopted: 3/93. Amended 6/17.)

26B.130 Operation of the off-track pari-mutuel sports system.

A systems operator shall:

1. Immediately notify the pari-mutuel sports books in the event that it is unable to receive wagering information or transmit pool data, and shall cause the system to cease accepting off-track pari-mutuel sports wagers if it is unable to receive the wagering information or transmit the pool data.
2. Cause the system to cease accepting off-track pari-mutuel sports wagers from the pari-mutuel sports books at post time. (Adopted: 3/93.)

26B.140 Approval of agreements.

1. The terms and conditions of any agreement between pari-mutuel sports books, or between parimutuel sports books and a systems operator relating in any way to the operation of an off-track pari-mutuel sports system, a common pari-mutuel pool or transmission of wagering information or pool data regarding sporting events or other events on which off-track pari-mutuel sports wagering will be conducted, must be approved by the commission upon a recommendation of the board, or by the chairman pursuant to subsection 2, after whatever investigation the board or chairman deems necessary.
2. An agreement described in subsection 1 may be approved by the chairman if it is an extension, renewal or modification of an agreement previously approved by the commission. Any material modification of a previously approved agreement, such as an increase in the amount of the commission on wagers, must also be approved by the commission.
3. An agreement described in subsection 1 may not be approved unless the commission or chairman is satisfied that:
(a) The agreement specifies the manner in which the line or proposition for each sporting event will be established;
(b) The agreement specifies the amount of the commission on wagers;
(c) The agreement specifies the manner in which breakage is to be allocated;
(d) The agreement specifies the manner in which the parties will handle a system or communication failure and specifically requires the systems operator to accept wagering information from the pari-mutuel sports books through a manual merge for a reasonable amount of time;
(e) The agreement specifies the manner in which the pari-mutuel sports books shall be responsible for any deficiencies and share in any excesses resulting from the requirements of subsections 26B.040(5) and (6) of this regulation.
(f) The agreement specifies the manner in which the parties will handle pool amounts that are not won by patrons.
(g) The systems operator and pari-mutuel sports books have complied with all laws applicable to offtrack pari-mutuel sports wagering;
(h) The systems operator and pari-mutuel sports books hold all necessary licenses and approvals to participate in the off-track pari-mutuel system;
(i) There are means for the board and the commission to obtain adequate access to information pertaining to the operation of the off-track pari-mutuel sports system, and to investigate any associate of the systems operator and pari-mutuel sports books in such operation;

(j) There is assurance that the operation of the off-track pari-mutuel sports system will be lawfully conducted after approval by the commission and will not pose a threat to gaming control in Nevada;

(k) There is assurance that the systems operator, pari-mutuel sports books and their associates in the off-track pari-mutuel sports system will abide by the conditions and restrictions imposed upon approval;

(l) There is assurance that the right of Nevada to collect license fees from the pari-mutuel sports books will be adequately protected through an effective accounting system designed to prevent the undetected employment of techniques to avoid payment; and

(m) There is assurance that the relationships of the systems operator and pari-mutuel sports books with any associate will not pose a threat to the interest of Nevada in regulating the gaming industry. (Adopted: 3/93. Amended 6/17.)

26B.150 Deduction of commission on wagers.

Except as provided in an agreement approved under section 26B.140, the total percentage of off-track pari-mutuel sports wagers that is to be deducted as a commission on wagers by pari-mutuel sports books in Nevada must not exceed 25 percent. (Adopted: 3/93.)

26B.160 Limits and conditions on approvals.

The commission may impose limits or place conditions upon any license or approval issued pursuant to this regulation. (Adopted: 3/93.)

26B.170 Record retention; monthly reports; access to premises.

Each pari-mutuel sports book and each systems operator which offers a common pari-mutuel pool, shall:

1. Maintain and retain all records required by the chairman for at least five years after they are made, and provide them to the chairman upon his request.
2. Allow the members of the commission, the board, their agents and employees to immediately inspect and examine the premises and immediately inspect, examine, photocopy, and audit all papers, books and records of the pari-mutuel sports book or systems operator, on its premises or elsewhere as practicable; and
3. File with the board all reports required by the chairman. (Adopted: 3/93.)

26B.180 Grounds for disciplinary action.

Violation of any applicable law or regulation by a parimutuel sports book or systems operator constitutes reasonable cause for disciplinary action. (Adopted: 3/93.)

26B.190 Waivers.

The commission may waive one or more of the requirements of Regulation 26B if it finds that such waiver is consistent with the public policy set forth in NRS 463.0129 and 464.020. (Adopted: 3/93.)

26B.200 Gross revenue computations.

1. For purposes of NRS 463.370, 464.045 and this regulation, "gross revenue" means the total commission on wagers, plus any pool amounts not won by patrons and retained by the pari-mutuel sports book, plus the face amount of unpaid winning tickets, plus breakage, less any rights fee paid by the parimutuel sports book, less any commission on wagers returned to a patron by the pari-mutuel sports book pursuant to section 26B.040(5) and (6) of this regulation.

2. As used in this section, "rights fee" means any compensation paid by a pari-mutuel sports book for the right to participate in a common pari-mutuel pool. The term does not include any amount paid to a systems operator, a gaming licensee, an association of gaming licensees or their affiliates. (Adopted: 3/93.)

26B.210 Effective date of regulation.

This regulation shall be effective upon passage.

(Adopted: 3/93. Amended: 4/20/95; 4/97. Effective: 4/23/97.)

End – Regulation 26B

MINIMUM INTERNAL CONTROL STANDARDS

Pari-Mutuel

Note 1: The term "betting kiosk" as used in these MICS refers to a self-activated machine that patrons use to place wagers and is considered a writer/cashier station. MICS applicable to writers/cashiers (or writer/cashier stations) are also applicable to a betting kiosk unless otherwise stated within the MICS.

Note 2: The term "voucher" as used in these MICS refers to a printed wagering instrument, usually issued for use in a betting kiosk, with a fixed dollar wagering value and is redeemable for cash or cash equivalents. Unredeemed vouchers that were issued as payment for winning wagers are treated the same as unpaid winning wagers for revenue purposes (i.e., purged vouchers are included in gross revenue).

Note 3: A pari-mutuel book must also comply with the Race and Sports MICS when not in conflict with, and if applicable to, the pari-mutuel operation.

Note 4: The term "operator of a call center" as used in these MICS has the same meaning as in Regulation 26C.

Note 5: The term "hub" as used in these MICS refers to the Nevada pari-mutuel systems operator used by pari-mutuel race books for commingling wagers with race tracks.

Note 6: These MICS apply to satellite and outstation books (as defined in Regulation 22) unless otherwise stated within the MICS.

Note 7: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these MICS as determined by the Audit Division will be acceptable, and a MICS variation pursuant to Regulation 6.090 will be unnecessary.

Note 8: These MICS apply to any Board-authorized inter-casino linked system. However, the operator of the inter-casino linked system and the licensee may share the responsibility for compliance, with some procedures performed by the licensee and other procedures performed by the operator of the inter-casino linked system. The procedures which the operator of the inter-casino linked system will perform are to be delineated as such within the pari-mutuel section of the written system of internal control pursuant to Regulation 6.090.

Note 9: A "signature" on a document provides evidence of the person's involvement and/or authorization of the intentions reflected in this document. It is typically in the form of a stylized script associated with a person. The stylized script "signature" may include the first letter of the person's first name along with the person's full last name. The "initials" of the person would not meet the requirement of a "signature".

Note 10: As used in these MICS, the term "WAT" means wagering account transfer. "WAT in" means amounts wagered by the patron and/or transfers to a game/gaming device pursuant to Regulation 5.225(12) and "WAT out" means amounts won by the patron and/or transfers from a game/gaming device pursuant to Regulation 5.225(11).

Note 11: If a pari-mutuel book utilizes wagering accounts and is the designated area of accountability, compliance with cage and credit MICS for wagering accounts is required. Such procedures are delineated within the written system of internal control pursuant to Regulation 6.090.

Note 12: For Board approved computerized systems that are used solely for pari-mutuel race and sports wagering accounts, compliance with pari-mutuel race and sports MICS #21(m) and #22 for wagering account reports may be used in lieu of the reports required by cage and credit MICS #47 - #49. However, compliance with cage and credit MICS #34 - #44 is required.

Note 13: If a pari-mutuel book utilizes wagering accounts, the written system of internal control pursuant to Regulation 6.090 must delineate procedures describing how WAT in and WAT out transactions (including the handling of canceled events) in the wagering account system are integrated and recorded by the pari-mutuel system.

Wagering Standards

1. All pari-mutuel wagers must be transacted through the pari-mutuel computer system. In case of computer failure between the pari-mutuel book and the hub, no tickets may be manually written.

2. Whenever a betting station is opened/closed for wagering or turned over to a new writer/cashier, the writer/cashier signs on/off and the pari-mutuel computer system creates a record indicating the station number, the fact that the station was opened/closed, the writer's /cashier's identity, and the date and time.

3. Nonpari-mutuel wagers are prohibited at "pari-mutuel only" books.

4. A pari-mutuel race wager is not accepted after the occurrence of post time, as defined in Regulation 26A.

5. Upon accepting a wager, a record of the wager is created in the pari-mutuel computer system which contains the ticket number, the date and time, and terms of the wager. The terms of the wager (listed as the "ticket description" in the pari-mutuel computer system reports) include: the event/racing meet (or race track), event/race number, event/race date, wager selection (e.g., horse number), type of wager (e.g., win, place and show; etc.) and dollar amount wagered. The record of the wager is documented as follows:

   a. An original betting ticket that includes the book's name and address is printed and given to the patron.

   Note: If a wager is placed using communications technology an original betting ticket does not need to be created. Regulation 26C.160(4) requires that all wagering communications shall be electronically recorded (separate from the pari-mutuel computer system) and retained for a period of 60 days.

   b. A restricted computer system record which is created concurrently with the generation of the original betting ticket. The restricted record is not accessible to book employees except for inquiry only functions.

6. If a book voids a betting ticket then:

   a. A void designation is immediately branded by the pari-mutuel computer system on the ticket with the computer system updated to reflect the void transaction. Alternatively, a ticket can be voided manually in the computer system by entering or scanning the ticket number to update the computer system to reflect the void transaction and immediately writing/stamping a void designation on the original ticket.

   b. All voids are signed by the writer/cashier and a supervisor (who did not write the ticket) at the time of the void. The supervisor may be from another gaming department. For satellite books the second signature can be a supervisor of the host property.

   c. Not-in-computer voids are either prohibited or, if not-in-computer voids are permitted, the date and time at which the ticket was voided is stamped on the original and no adjustment to gross revenue may be made.

   Note: If the original ticket is unavailable (e.g., printer malfunction) a document is created to reflect the void transaction.

Payout Standards

7. Prior to patrons receiving payouts on winning tickets, event/race results are entered into the pari-mutuel computer system for computerized grading of all wagers. Unpaid winning ticket and voucher reports are restricted to authorized personnel independent of the race and sports book.

8. Vouchers issued by the pari-mutuel computer system (including through betting kiosks) must include: the voucher number, the book's name and address, the date and time, and dollar amount.

Note: The above MICS applies to vouchers issued as payment for winning wagers, "change due" from a wager transaction, and as a result of a purchase of a voucher.

9. Prior to making payment on a ticket/voucher or crediting the winnings to the patron's wagering account:

   a. The writer/cashier enters or scans the ticket/voucher number into the pari-mutuel computer system to authorize the payment; or

   b. For wagering account wagers, when the event results are posted in the pari-mutuel computer system, the computer system automatically authorizes payment of winning wagers and updates the patron's wagering account.

10. After scanning by the writer/cashier, the pari-mutuel computer system brands the ticket/voucher with a paid designation, the amount of payment and date. Alternatively, if a writer/cashier manually enters or scans the ticket/voucher number into the pari-mutuel computer system, the writer/cashier either immediately writes/stamps the date, amount of payment and a paid designation on the patron's ticket/voucher or attaches to the patron's copy a computer system "paid" ticket which indicates a paid designation, ticket/voucher number, the amount of payment and date.

11. The pari-mutuel computer system is incapable of authorizing payment on a ticket/voucher which has been previously paid, a voided ticket/voucher, a losing ticket, or an unissued ticket/voucher.

12. In case of pari-mutuel computer system failure, tickets may be paid. In those instances where pari-mutuel computer system failure has occurred and tickets are manually paid, a log will be maintained which includes:

   a. Date and time of pari-mutuel computer system failure.

   b. Reason for failure.

   c. Date and time pari-mutuel computer system is restored.

13. For all payouts which are made without pari-mutuel computer system authorization, after the manual grading of the ticket, the date and time must be stamped on the patron's copy, and the amount of the payment and a paid designation is written (or stamped) on the patron's copy of the ticket/voucher.

14. For those payouts made without pari-mutuel computer system authorization (i.e., system inoperative):

   a. Before completing the payout, the book manager or other authorized supervisory personnel reviews the documentation supporting and explaining the payout and signs the ticket/voucher as evidence of review.

   b. An individual, once the pari-mutuel computer system is operative, immediately enters all manually paid tickets/vouchers into the pari-mutuel computer system to verify the accuracy of the amount paid for the tickets/vouchers and the manual grading of the tickets. Should the pari-mutuel computer system remain inoperative at the end of the day, the procedures required by MICS #33c are required.

Note: Any manually paid tickets that had been previously purged from the pari-mutuel computer system do not need to be entered into pari-mutuel computer system.

Wagering Accounts

Note: If wagering accounts are used solely for pari-mutuel horse race wagers, in addition to the requirements below, all cage and credit MICS related to wagering accounts are applicable, with the exception of cage and credit MICS #37a.

15. The book shall establish procedures for pari-mutuel horse race wagering accounts pursuant to the requirements of Regulation 26C and such procedures are delineated within the pari-mutuel section of the written system of internal control pursuant to Regulation 6.090. Procedures to address in the written system of internal control include, as applicable, but are not limited to:

    a. The creation and maintenance of documents related to the establishment of pari-mutuel horse race wagering accounts with patrons residing both outside the borders of Nevada and within the borders of Nevada.

    b. The acceptance of wagers including, but not limited to:

        1) Method of wagering communications;

        2) Wagering account transactions documentation (creation and maintenance thereof);

        3) Prior to accepting a wager, reasonable assurance that the patron is located within the borders of a state or foreign jurisdiction in which pari-mutuel horse wagering is legal and that state or foreign jurisdiction does not otherwise restrict wagering on wagering accounts outside its borders.

    c. When an operator of a call center is utilized, procedures established by the book must address, as applicable:

        1) The reconciliation of wagering account deposits handled by the operator of a call center including the comparison of the daily wagering account deposit recorded in the pari-mutuel computer system to the amount transferred to the book (e.g., deposited into the book's bank account).

        2) The division of the responsibilities between the operator of a call center and the book including what transactions/procedures will be handled by the book and the call center.

Checkout Standards

16. The pari-mutuel computer system indicates the amount of net cash that should be in each writer/cashier station. A supervisor is required to access this information.

17. For each writer/cashier station a summary report is completed at the conclusion of each shift including:

    a. Computation of cash turned in for the shift, and any variances between the cash turn-in and the amount that the pari-mutuel computer system indicates should be in each station.

    b. Signatures of two employees who have verified the cash turned in for the shift.

Note 1: MICS #17 is also to be performed whenever there is a change of a writer/cashier at a station during a shift. In such a case when the cash is transferred from one writer/cashier to the next writer/cashier, the cash summary report for the shift is to reflect for each writer/cashier and each station the amount of cash turn-in and any variances between the cash turn-in and the amount of net cash that the pari-mutuel computer system indicates should be in each writer/cashier station.

Note 2: MICS #17 does not apply to areas outside the race and sports book area (e.g., casino cage) that cash tickets.

Note 3: MICS #17 does not apply to betting kiosks.

Note 4: Alternatively, MICS #16 and #17 may be performed for each writer/cashier rather than each writer/cashier station.

18. For each betting kiosk:

    a. At least weekly, all winning tickets and vouchers in the kiosk are removed by a minimum of two employees.

    b. At least weekly, a minimum of two employees remove all cash from the kiosk, count the cash and document the count.

    c. Whenever employees remove winning tickets or vouchers from a kiosk, or cash is removed from or inserted into a kiosk, kiosk reports are generated from the kiosk regarding kiosk transactions and accountability.

    d. At least weekly and whenever employees remove winning tickets, vouchers or cash from a kiosk, the kiosk transactions are reconciled by race and sports book or accounting employees as follows: all the cash remaining in each kiosk to the cash loaded into the kiosk plus/minus cash transactions. The kiosk reports are compared to the transactions recorded by the pari-mutuel computer system. Variances are documented and investigated.

    e. Winning tickets and vouchers are ultimately delivered to the accounting department.

Computer Reports

Note 1: Documentation equivalent to the following must be prepared for satellite books on a "per book" basis.

Note 2: Wagers placed using communications technology can be included in the documentation of the central site book that accepted and recorded the patron's wager. If so, such procedures are delineated within the pari-mutuel section of the written system of internal control pursuant to Regulation 6.090.

19. Adequate documentation of all pertinent pari-mutuel information is generated by the pari-mutuel computer system.

20. This documentation is restricted to authorized personnel. The generation of end-of-day pari-mutuel computer system reports must be performed by or observed by an employee from a department independent of the race and sports book department. Each report indicates the date, book's name (or other identifier), and title of report.

Note: As used in MICS #21 and #22 pari-mutuel computer system report descriptions, the term "ticket description" refers to the terms of the wager as described in MICS #5.

21. The pari-mutuel computer system documentation is created daily and includes, at a minimum, the following reports:

a. Transaction report which lists, by writer/cashier station, for each ticket sold, voided (tickets cancelled) and paid out (including refunds): the ticket number, transaction time, writer/cashier station number, writer/cashier number, ticket description, and amount of transaction. The report lists, by writer/cashier, and in total, the amount of sales (write and vouchers issued), voids, and payouts (including vouchers redeemed),

Note: The transaction report may be a combination of more than one report (e.g., one for write and one for payouts). Wagering account transactions may be in separate wagering account transaction reports.

b. Session sales summary which lists, for each meet, each race and in total by meet and for all meets: session gross sales, cancels, cancels from previous session sales, and total sales; and total sales from previous session, total sales for the session and the previous session combined, refunds and net sales.

Note: A "session" is a 24-hour day.

c. Race prices report which lists, for each meet's race: the race date, race number, the winners (e.g., horse identification) and payout amounts for the different types of wagers.

d. Cashed tickets report which lists, by meet, the tickets cashed including: the ticket number, writer/cashier (or station number), ticket description and the amount of net dividend (amount of payout). The report lists the total amount of net dividends by meet and the grand total for all meets.

Note: The cashed tickets report may be combined with the transaction report.

e. Vouchers sold and redeemed report which lists by writer/cashier station, for each voucher sold (issued) and redeemed (cashed): the voucher number, the transaction (i.e., sold/cashed), transaction time, writer/cashier station number, writer/cashier number, and amount of voucher. The report lists by writer/cashier station, and in total for all writer/cashier stations, the amount of vouchers sold and the amount of vouchers redeemed.

Note: The vouchers sold and redeemed report may be combined with the transaction report.

f. Refund ticket report which lists for the day (session), for each ticket refunded: the ticket number, ticket description, session, refund amount, and total of all refunds.

Note: The race and race number is not required to be identified on the refund tickets report if the transaction is reflected in the cashed ticket report or transaction report.

g. Teller detail report which lists, by writer/cashier and in total: the amount of tickets sold, tickets cashed, tickets canceled, returns, draws, vouchers sold and vouchers cashed, wagering account deposits, wagering account withdrawals, wagering account tickets sold, wagering account tickets cashed, and amount of over/short.

h. Teller balance report which lists for the day (session), by writer/cashier and in total: the amount of tickets/vouchers sold, tickets/vouchers cashed, tickets canceled, wagering account deposits, wagering account withdrawals, draws (funds added to stations' accountability), returns (funds removed from stations' accountability), amount computed as cash turn-in, the actual reported as cash turn-in and amount of over/short. In this report, wagering account deposits may be included in the "sold" amount and withdrawals may be included in the "cashed" amount.

i. Futures reconciliation report which lists the amount of, by date of event/race for today and future event dates: wagers written on previous days (previous write), wagers written today on future events (write today or future write), wagers written on previous days refunded today (previous canceled today), wagers written on previous days for today's event/race (futures back-in), and total remaining wagers written for events/races in the future (net write).

j. Futures reports:

1) Futures back-in ticket detail report which lists the tickets written on previous days for events/races occurring today, by racing meet, including: the ticket number, ticket description, and date of event/race. The report lists the total amount of wagers written on previous days for today's event/race.

2) Future ticket detail report which lists the tickets written on previous days and today for events/races in the future, by date of event/race and by event/race, including: the ticket number, ticket description, and date of event/race. The future tickets detail report lists totals of the amount of wagers by date of event/race, by event/race and for all tickets.

k. Unpaid reports:

1) Unpaid winners detail ticket report (i.e., Outsbook Tickets) which lists the unexpired, winning tickets that have not been paid including: the event/race date, ticket number, ticket description, and amount of payout, and payout amounts in total.

2) Unredeemed voucher detail report which lists the unexpired vouchers that have not been redeemed including: the voucher number, date of issue, and amount of voucher, and vouchers in total.

Note: Tickets and vouchers expire when the period of time the book will honor winning wagers/vouchers has lapsed.

l. Purge reports:

1) Purge detail ticket report which lists the expired, winning tickets that have not been paid, by meet and by ticket number, including: the event/race date, ticket number, ticket description, and amount to be paid (net dividend). The report lists the total amount of net dividend by meet, and the grand total for all meets. The report lists the total amount of payouts to be added back into revenue.

2) Purge detail voucher report which lists the expired vouchers that have not been redeemed including: the voucher number, date of issue, and amount of voucher. The report lists total amount of vouchers to be added back into revenue.

Note: Tickets and vouchers expire when the period of time the book will honor winning wagers/vouchers has lapsed.

m. Wagering account reports as follows:

1) Daily account wagering detail report which lists by writer/cashier station number, each transaction including: writer/cashier station number, wagering account number, the transaction (e.g., wager, deposit, withdrawal), and the transaction amount. The report lists totals by transaction type.

Note 1: The daily account wagering detail report may be a part of the wagering account transaction reports or a combination of reports.

Note 2: The writer/cashier station number is not identified when the patron places a wager through a mobile device.

2) Daily account wagering summary report which lists by writer/cashier station number, for wagering accounts with activity for the day, by wagering account and in total: the amount of deposits, winnings, cancelled wagers, wagers, withdrawals and other adjustments. The report lists totals for write, voids/cancelled, net write, payouts, refunds and net win.

n. Reconciliation report which lists for each meet, each race, and in total for all meets: net sales, negative breakage, commission, positive breakage, paid and unpaid winning wagers (runner pay), parlay breakage and deposit.

o. Daily recap report which lists for each meet and in total for all meets, the total write, refunds, net write, payouts paid today for events on previous days (outs paid today), payouts from wagers written today and paid today (todays total paid or current payouts), unpaid winners from event/race occurred today (todays outs or current unpaids), total amount paid today (total paid today), unpaid winners and unredeemed vouchers expired today (outs purged today or unpaids to revenue) and beginning and ending unpaid winners and unredeemed vouchers balances (previous outs and total outs).

p. Exception history report which lists for the day (session), exception time, employee involved, and dollar amount, if applicable, for pari-mutuel computer system function exceptions including, but not limited to, sign-on/offs and supervisor cancels.

q. Void exception report (i.e., Cancelled Tickets Report) which lists for the day, the ticket number, date and time of the void, station number, writer/cashier voiding the ticket, supervisor authorizing the void, and ticket description.

22. The pari-mutuel computer system documentation for wagering account activity is created on demand, and includes, at a minimum, for a time period of a day, month, year and two-year cumulative basis:

    a. Wagering account activity detail report that lists, by wagering account and in total, for all wagering accounts: the wagering account number, beginning balance, each deposit (date and amount), wagers and void wagers (ticket number, transaction date and time, and ticket description), winning wagers and refunds (ticket number, transaction date and time, ticket description, and payout amount), net wagering activity, withdrawals (date and amount), adjustments (date and amount), and ending balance.

    b. Wagering account activity summary report that lists, by wagering account and in total, for all wagering accounts: the wagering account number, patron's name, book's name, beginning balance, deposits, amount of wagers, amount of winning wagers, net wagering activity, withdrawals, adjustments, and ending balance.

Note 1: All wagering accounts regardless of account balance must be included on the wagering account activity report.

Note 2: Daily, month-to-date, year-to-date, and two-year cumulative amounts may be reflected in separate reports rather than one report.

23. A month-end reconciliation report is created and used when computing pari-mutuel gross revenue which lists for each meet, by day, the amount of: net sales, negative breakage, commission, positive breakage, paid and unpaid winning wagers (runner pay), parlay breakage and deposit. The report lists the month-end totals for each meet, and in total.

Accounting/Audit Standards

24. The pari-mutuel audit is conducted by someone independent of the race, sports, and pari-mutuel operations.

Note: Such personnel may also perform the audit function for the outstation book of affiliated properties (and vice versa).

25. Daily, reconcile the dollar amount of WAT in and WAT out per the WAT By Gaming Area report to the daily recap report. Investigate and document any variances noted.

26. An accounting/audit employee examines the daily reconciliation report, compares the sales and paid amounts on the report to the amounts on the daily recap report produced by the pari-mutuel computer system, and recalculates the net amount due to or from the hub. An accounting/audit employee reconciles the net amount due to or from the hub with the bank account information regarding transfers to/from the hub at least on a monthly basis.

27. Accounting/audit personnel verify daily cash turn-in by comparing the total actual cash turned in to the total cash turn-in amount on the daily teller balance report.

Note: Cash turn-in is computed as follows: beginning cash balance, (+) net write, (+) wagering account deposits, (-) payouts net of IRS withholding, (-) wagering account withdrawals, (-) payouts for tickets cancelled, (+) funds added to station (draw), (-) funds removed from station (return), (=) cash turn-in (computed on hand).

28. For one race/event per day, accounting/audit personnel verify commissions per the daily reconciliation report by recalculating race/event commissions.

29. For the track associated with the race/event tested in MICS #28, accounting/audit personnel will verify daily transfers due to/from the hub by recalculating the deposits.

Note: The deposit amount is computed as follows: Net sales, (+) negative breakage, (-) commissions, (-) positive breakage, (-) paid and unpaid winning wagers (accrual payouts), (=) deposit.

30. Accounting/audit personnel produce a pari-mutuel track fee report that lists, for each week and for the month, for each track and for all tracks in total, the track fees and adjustments.

Note: The book receives from the hub, on a weekly basis, a track fee report that lists for the book, based upon the wagers accepted by the book, the track fees due by track.

31. Accounting/audit personnel trace the track/event fees and track/event fee adjustments to the monthly invoices received from the hub.

32. Accounting/audit personnel produce a pari-mutuel gross revenue recap report to calculate gross revenue on a daily and month-to-date basis, including the following totals: commission, positive breakage, negative breakage, track/event fees, track/event fee adjustments, purged tickets, and gross revenue.

Note: The track/event fees and fee adjustments are included in the recap report in aggregate on a weekly basis.

33. At least once a quarter, for each betting kiosk, foot the tickets and the vouchers redeemed for a week and trace the totals to the totals recorded in the pari-mutuel computer system and the related accountability document. This procedure may be performed for different kiosks throughout the quarter as long as each kiosk's activity is examined once a quarter. Document the test and the results of investigations into all variances, by kiosk.

Note: This procedure may be performed by non accounting personnel as long as the individual has not performed the reconciliation required by MICS #18.

34. Daily, accounting/audit personnel, for payouts made without pari-mutuel computer system authorization at the time of payment, will:

    a. Trace all payouts to the pari-mutuel computer system transaction report or the purged tickets report to verify authenticity of the initial wager.

    b. For payouts subsequently entered into the pari-mutuel computer system by race and sports personnel, compare the manual payout amount to the pari-mutuel computer system amount.

    c. For payouts not entered into the pari-mutuel computer system by race and sports personnel, enter the payout into the pari-mutuel computer system and compare the manual payout amount to the pari-mutuel

computer system amount. If the system is inoperative, manually regrade the ticket to ensure the proper payout amount was made.

Note: Appeasement payments (e.g., nonwinning ticket payouts resulting from a customer complaint or employee error) are not deductible from gross revenue.

35. Accounting/audit personnel perform the following procedures for each day, unless indicated otherwise:

    a. Review all system exception reports for propriety of transactions and unusual occurrences including, but not limited to, void authorizations and manually paid tickets. All noted improper transactions or unusual occurrences noted during the review of exception reports are investigated with the results documented.

    Note: An exception report is defined as a report produced by the computerized system identifying unusual occurrences, changes to system configuration parameters, alteration to initially recorded data, voids, etc.

    b. For all voided tickets:

        1) The pari-mutuel computer system reports which display voided ticket information are examined to verify that tickets were properly voided in the computer system.

        2) The voided tickets are examined for a void designation and proper signatures, and for not-in-computer voids, the date and time stamp on the ticket for the time of the void.

        3) For a pari-mutuel computer system that prints void tickets, a "void ticket" attached to the original ticket.

    c. For one day per week, for one meet, verify all the race results as produced by the pari-mutuel computer system to the results provided by the wire service.

    Note: Verifying the results is only required to be performed for one book (an outstation or satellite) when the same pari-mutuel computer system that maintains results information is shared by multiple affiliated books.

    d. For one day per week, regrade 10 paid (cashed) tickets to ensure accuracy and propriety.

    e. Daily, select a random sample of 5 paid transactions from the pari-mutuel computer system cashed tickets report and trace the transaction to the customer's copy of the paid ticket.

    Note: The same transactions selected for MICS #35e examination may be used as part of the sample selected for MICS #35d

    f. For "pari-mutuel only" books, for one day per week, review all wagers to determine whether any nonpari-mutuel wagers were accepted.

    g. Monthly, reconcile the total amount of WAT in and WAT out per the WAT Summary report to the month-end recap report. This reconciliation is documented and maintained. All variances are reviewed, documented and maintained.

36. Monthly, accounting/audit personnel reconcile gross revenue from the month-end pari-mutuel gross revenue recap report to the general ledger and to the monthly NGC tax return. This reconciliation is documented and maintained. All variances including the variance caused by the reduction of pari-mutuel revenue on the NGC tax return due to an allowable tax deduction supported by inter-casino linked system reports are reviewed, documented, and maintained.

37. Prior to submission of the NGC tax returns for the month, the reconciliations required by MICS #35g and #36 are completed, and any follow-up performed is documented and maintained. Any variances noted are resolved prior to submission of the tax returns for the following month.

38. Quarterly, an inventory of all sensitive pari-mutuel keys is performed and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys not accounted for, with the investigations being documented.

Note: Sensitive keys include, but are not limited to, keys used to access restricted computer storage media and/or restricted equipment used to conduct the pari-mutuel book and to the date and time stamping machines.

39. Annually, for one day, accounting/audit personnel will perform the following for one writer/cashier station:

    a. Foot the wagers on the restricted pari-mutuel computer system record and trace to the total produced by the pari-mutuel computer system.

    b. Foot the customer copy of paid tickets and trace to the total produced by the pari-mutuel computer system.

    c. Foot cashed (redeemed) vouchers and trace to the total produced by the pari-mutuel computer system.

40. At least one day per quarter, accounting/audit personnel:

    a. Recalculate and verify the change in the unpaid winners and unredeemed vouchers balance to the total purged tickets and vouchers.

    b. If future wagers are accepted, review the pari-mutuel computer system reports to ascertain that future wagers are properly included in write on the day of the event.

41. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of pari-mutuel audit procedures, the exceptions noted and follow-up of all pari-mutuel audit exceptions.

Minimum Internal Controls
Race and Sports

Note 1: The term "voucher" as used in these MICS refers to a printed wagering instrument, usually issued for use in a betting kiosk, with a fixed dollar wagering value and is redeemable for cash or cash equivalents. Unredeemed vouchers that were issued as payment for winning wagers are included in revenue when the vouchers expire (i.e., purged vouchers are included in gross revenue).

Note 2: The term "betting kiosk" as used in these MICS refers to a self-activated machine that patrons use to place wagers, open accounts, make account deposits and/or withdrawals and is considered a writer/cashier station. MICS applicable to writers/cashiers (or writer/cashier stations) are also applicable to a betting kiosk unless otherwise stated within the MICS.

Note 3: A book licensed to accept pari-mutuel wagers must also comply with the Pari-Mutuel MICS. A pari-mutuel book, including pari-mutuel only books, must comply with the Race and Sports MICS, as applicable.

Note 4: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by these MICS as determined by the Audit Division will be acceptable, and a MICS variation pursuant to Regulation 6.090 will be unnecessary.

Note 5: These MICS apply to satellite and outstation books (as defined in Regulation 22) unless otherwise stated within the MICS.

Note 6: These MICS apply to any Board-authorized inter-casino linked system. However, the operator of the inter-casino linked system and the licensee may share the responsibility for compliance, with some procedures performed by the licensee and other procedures performed by the operator of the inter-casino linked system. The procedures which the operator of the inter-casino linked system will perform are to be delineated as such within the race and sports section of the written system of internal control pursuant to Regulation 6.090.

Note 7: A "signature" on a document provides evidence of the person's involvement and/or authorization of the intentions reflected in this document. It is typically in the form of a stylized script associated with a person. The stylized script "signature" may include the first letter of the person's first name along with the person's full last name. The "initials" of the person would not meet the requirement of a "signature".

Note 8: As used in these MICS, the term "WAT" means wagering account transfer. "WAT in" means amounts wagered by the patron and/or transfers to a game/gaming device pursuant to Regulation 5.225(12) and "WAT out" means amounts won by the patron and/or transfers from a game/gaming device pursuant to Regulation 5.225(11).

Note 9: If the race and sports department utilizes wagering accounts and is the designated area of accountability, compliance with cage and credit MICS for wagering accounts is required. Such procedures are delineated within the written system of internal control pursuant to Regulation 6.090.

Note 10: For Board approved computerized systems that are used solely for race and sports wagering accounts, compliance with race and sports MICS #57(i) and #58 for wagering account reports may be used in lieu of the reports required by cage and credit MICS #47 - #49. However, compliance with cage and credit MICS #34 - #44 is required.

Note 11: If the race and sports department utilizes wagering accounts, the written system of internal control pursuant to Regulation 6.090 must delineate procedures describing how WAT in and WAT out transactions (including the handling of canceled events) in the wagering account system are integrated and recorded by the race and sports system.

Note 12: If wagering accounts are limited to race and sports books only, then, in lieu of the requirements of cage and credit MICS #37a, verification of a patron's identification may be performed at central site books, at an outstation, satellite or affiliated book.

Equipment Standards

1. The date and time generated by the race and sports computer system during ticket writing is tested each day by a supervisor independent of the ticket writing and cashiering function (this person may also be independent of the book). For outstation and satellite books this test is performed at the location where the administrative function is performed.

2. Race and sports books must contact the Naval Observatory Master Clock to verify the correct time each day events are held and wagers are accepted. The race and sports computer system should then be adjusted as required.

Note 1: A telephone number for the Naval Observatory Master Clock is (202) 762-1401.

Note 2: The above MICS does not apply to outstation and satellite books if the time cannot be changed by employees of such books.

Note 3: The above MICS does not apply when the time within the race and sports computer system is kept accurate through the use of an independent automated update process.

3. The test performed pursuant to MICS #1, and any adjustments necessary due to discrepancies, is documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time per race and sports computer system, name or signature of the employee performing the test, and any other relevant information. For outstation and satellite books the logs must be made available at each licensed location upon request.

4. All date and time stamping machines used for voided tickets and manual payouts are directly and permanently wired to the electrical supply system or have a back-up power source to ensure an accurate time in the event of power loss to the machines.

5. Only personnel independent of the book have access to fuses or other similar power control mechanisms used in connection with the stamping machines.

6. At least once each day someone independent of the ticket writing function examines and tests the stamping machines to ensure the date and time accuracy to the nearest minute. For satellite books this test can be performed by the ticket writer.

Note: If the stamping machine is interfaced with a time clock such that the time on the stamping machine is kept accurate through the use of an independent automated update process, then this procedure is not required.

7. In addition to performing the test pursuant to MICS #6, the same test is performed at least weekly by someone independent of the book.

Note: The above MICS does not apply to satellite books.

8. The test, and any adjustments necessary due to discrepancies, is documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time on machine, name or signature of employee performing the test, and any other relevant information.

9. Keys (originals and all duplicates) to the date and time stamping machines are maintained and used by a department or personnel who are independent of the ticket writing and cashiering functions.

Wagering Standards

10. Whenever a betting station is opened/closed for wagering or turned over to a new writer/cashier, the writer/cashier signs on/off and the race and sports computer system creates a record indicating the writer's/cashier's identity, the date and time, station number, and the fact that the station was opened/closed.

11. Upon accepting a wager, a record of the wager is created in the race and sports computer system which contains the ticket number, the date and time and terms of the wager. The terms of the wager (listed as the "ticket description" in the race and sports computer system reports) include: event/racing meet (or race track), event/race number, event/race date, wager selection (e.g., horse number, team name and number), type of wager (e.g., money line bet; point spreads; over/under amounts; win, place and show; etc.) and dollar amount wagered. The record of the wager is documented as follows:

    a. An original betting ticket that includes the book's name and address is printed and given to the patron.

    Note: If a wager is placed using communications technology an original betting ticket does not need to be created. Regulation 22.140(8) requires that all wagering communications shall be electronically recorded (separate from the race and sports computer system) and retained for a period of 60 days.

    b. A restricted computer system record which is created concurrently with the generation of the original betting ticket. The restricted record is not accessible to book employees except for inquiry only functions.

12. If a book voids a betting ticket then:

    a. A void designation is immediately branded by the race and sports computer system on the ticket with the computer system updated to reflect the void transaction. Alternatively, a ticket can be voided manually in the race and sports computer system by entering or scanning the ticket number to update the computer system to reflect the void transaction and immediately writing/stamping a void designation on the original ticket.

    b. For not-in-computer voids, the date and time when the ticket was voided is stamped on the original.

    c. All voids are signed by the writer/cashier and a supervisor (who did not write the ticket) at the time of the void. The supervisor may be from another gaming department. For satellite books the second signature can be a supervisor of the host property.

    Note: If the original ticket is unavailable (e.g., printer malfunction) a document is created to reflect the void transaction.

13. A sporting event wager is not accepted after the start of the event unless "in progress" or a similar notation is indicated on the original and each copy of the betting ticket, and the race and sports computer system creates and maintains a record that documents the supervisor's approval.

Note: The second half of a football game, for example, is considered a separate event when set up in the race and sports computer system as an independent event for accepting wagers; accordingly supervisor approval does not need to be recorded as long as the wager is accepted before the start of the second half.

14. A race wager is not accepted after the occurrence of post time, as defined in Regulation 22.

15. Race event documentation (i.e., track sheet) is created daily and includes, at a minimum, the race date, the name of track, the race number, and field of horses scheduled to run by horse number and name for each race. The race event document is updated to indicate any horses subsequently scratched. This document is forwarded to the accounting/audit department at the end of day.

16. The wagering cutoff times are established in accordance with the provisions of Regulation 22 and entered into the race and sports computer system.

17. The race and sports computer system either is incapable of transacting/accepting a wager subsequent to the above cutoff times or produces a report which specifically identifies such wagers.

18. The race and sports computer system either is incapable of voiding a ticket subsequent to the cutoff time or produces a report which specifically identifies such voided tickets.

19. The race and sports computer system is incapable of allowing a cutoff/starting time to be entered into the race and sports computer system (including changes to cutoff/starting times) that is a time earlier than the current time of day.

20. Tickets will not be written or voided after the outcome of an event is known.

21. A gaming establishment that is only licensed for a sports pool (and not a race book) cannot accept a wager on horse or other animal races.

Book Wagering Reports

22. Within 24 hours after the end of a designated 24-hour period, wagering multiple transaction logs created pursuant to Regulation 22.062 are submitted to the accounting department.

23. If book wagering reports are prepared by race and sports book personnel pursuant to Regulation 22.061(6), the completed book wagering reports are submitted to the accounting department by no later than 24 hours after month end.

Payout Standards

24. Vouchers issued by the race and sports computer system (including through betting kiosks) must include: the voucher number, the book's name and address, the date/time and dollar amount.

Note: The above MICS applies to vouchers issued as payment for winning wagers, "change due" from a wager transaction, and as a result of a purchase of a voucher.

25. Prior to patrons receiving payouts on winning tickets, event/race results are entered into the race and sports computer system for computerized grading of all wagers. Unpaid winning ticket and voucher reports are restricted to authorized personnel independent of the race and sports book.

26. Prior to making payment on a ticket/voucher or crediting the winnings to the patron's wagering account:

    a. The writer/cashier enters or scans the ticket/voucher number into the race and sports computer system to authorize the payment; or

    b. For wagering account wagers, when the event results are posted in the race and sports computer system, the computer system automatically authorizes payment of winning wagers and updates the patron's wagering account.

27. After scanning by the writer/cashier, the race and sports computer system brands the ticket/voucher with a paid designation, the amount of payment and date. Alternatively, if a writer/cashier manually enters or scans the ticket/voucher number into the race and sports computer system, the writer/cashier either immediately writes/stamps the date, amount of payment and a paid designation on the patron's ticket/voucher or attaches to the patron's copy a computer system "paid" ticket which indicates a paid designation, the ticket/voucher number, the amount of payment and date.

28. In case of race and sports computer system failure, tickets may be paid. In those instances where race and sports computer system failure has occurred and tickets are manually paid, a log will be maintained which includes:

    a. Date and time of race and sports computer system failure.

    b. Reason for failure.

    c. Date and time race and sports computer system is restored.

29. For all payouts which are made without race and sports computer system authorization, after the manual grading of the ticket, the date and time must be stamped on the patron's copy, and the amount of the payment and a paid designation is written (or stamped) on the patron's copy of the ticket/voucher.

30. For those payouts, including payouts for contest/tournament winners, that are made without race and sports computer system authorization (i.e., system inoperative):

    a. Before completing the payout, the book manager or other authorized supervisory personnel reviews the documentation supporting and explaining the payout and signs the ticket/voucher as evidence of review.

    b. An individual, once the race and sports computer system is operative, immediately enters all manually paid tickets/vouchers into the race and sports computer system to verify the accuracy of the amount paid for the tickets/vouchers and the manual grading of the tickets. Should the race and sports computer system remain inoperative at the end of the day, the procedures required by MICS #68c are required.

    Note: Any manually paid tickets that had been previously purged from the race and sports computer system do not need to be entered into the race and sports computer system.

31. The race and sports computer system is incapable of authorizing payment on a ticket/voucher which has been previously paid, a voided ticket/voucher, a losing ticket, or an unissued ticket/voucher.

32. If a progressive pool is used for wagers, adequate documentation is retained regarding the rules.

Betting Kiosks

33. The book shall establish procedures for in-person wagering account registration at a betting kiosk for sports and nonpari-mutuel race wagering. Such procedures are delineated within the race and sports section of the written system of internal control pursuant to Regulation 6.090. In addition, the procedures established must ensure that:

    a) For sports and nonpari-mutuel wagering account withdrawals transacted at a betting kiosk, each patron is limited to a daily maximum withdrawal amount of $500.

    b) For any sports and nonpari-mutuel wagering account withdrawals initiated at a betting kiosk, compliance with the procedures of Cage and Credit Standard #41 is to be met if the requested withdrawal exceeds the daily maximum limit of $500.

Promotional Payouts, Drawings and Giveaway Programs

34. The conditions for participating in promotional payouts, including drawings and giveaway programs, are prominently displayed or available for patron review at the licensed location.

35. Promotional payouts, including those as a result of drawings and giveaway programs, that are either deducted from gross gaming revenue, or are greater than or equal to $500 and not deducted from gross gaming revenue, are documented at the time of the payout to include the following:

a. Date and time.

b. Dollar amount of payout or description of personal property (e.g., car).

c. Reason for payout (e.g., promotion name).

d. Signature(s) of the following number of employees verifying, authorizing, and completing the promotional payout with the patron:

1) Two employee signatures for all payouts of $100 or more that are deducted from gross gaming revenue;

Note: For approved computerized systems that validate and print the dollar amount of the payout on a computer-generated form, only one employee signature is required on the payout form.

2) One employee signature for payouts of less than $100 that are deducted from gross gaming revenue; or

3) One employee signature for payouts of $500 or more that are not deducted from gross gaming revenue.

e. Patron's name (for drawings only).

Note: MICS #35 documentation may be prepared by an individual who is not a race and sports book department employee as long as the required signatures are those of the employees completing the payout with the patron.

36. If promotional cash (or cash equivalent) payouts, including those as a result of drawings and giveaway programs, is less than $500 and are not deducted from gross gaming revenue, documentation is created to support bank accountability.

Note: Required documentation may consist of a line item on a cage or race and sports accountability document (e.g., "43 $10 race and sports cash giveaway coupons = $430").

Contests/Tournaments

Note: MICS #37 - #42 apply to contests/tournaments conducted at a single book, and also to those conducted at multiple, affiliated books.

37. All contest/tournament entry fees, prize payouts, participant's wagering selections, and contest/tournament results are recorded in the race and sports computer system.

Note 1: The above MICS does not apply to contests/tournaments that are free to enter (i.e., no entry fees or other prerequisites such as a minimum amount of wagers to qualify).

Note 2: Noncash prize payouts from contests/tournaments are to be completed in accordance with MICS #34 - #36. Such payouts are not required to be recorded in the race and sports computer system.

38. When contest/tournament entry fees and payouts are transacted, the transactions are recorded on a document which contains:

a. Patron's name.

b. Date of entry/payout.

c. Dollar amount of entry fee/payout (both alpha and numeric, or unalterable numeric) and/or nature and dollar value of any noncash payout.

d. Signature of individual completing transaction attesting to the receipt or disbursement of the entry fee/payout with the patron and, for contest/tournament winners, the verification through the race and sports computer system of the winner.

e. Name of contest/tournament.

39. The contest/tournament entry fees and prize payouts are summarized and posted to the accounting records on at least a monthly basis.

40. Contest/tournament rules are included on all entry forms/brochures and are prominently displayed or available for patron review at the licensed location. The rules must include at a minimum:

    a. All conditions patrons must meet to qualify for entry into, and advancement through, the contest/tournament.

    b. Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool.

    c. The distribution of funds based on specific outcomes.

    d. The name of the organizations (or persons) registered pursuant to NRS 463.169 that conducted the contest/tournament on behalf of, or in conjunction with, the licensee if applicable.

41. Results of each contest/tournament are recorded and available for participants to review. The recording includes the name of the event, date(s) of event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category. The name of each winner is recorded and maintained but not made available to the participants unless authorized by management personnel.

Note: For free tournaments, the information required by the above MICS must be recorded except for the number of entries, dollar amount of entry fees and total prize pool.

42. The aforementioned contest/tournament records are maintained for each event.

Checkout Standards

43. The race and sports computer system indicates the amount of net cash that should be in each writer/cashier station. A supervisor is required to access this information.

44. For each writer/cashier station, a summary report is completed at the conclusion of each shift including:

    a. Computation of cash turned in for the shift, and any variances between the cash turn-in and the amount of net cash that the race and sports computer system indicates should be in each station.

    b. Signatures of two employees who have verified the cash proceeds turned in for the shift.

Note 1: MICS #44 is also to be performed whenever there is a change of a writer/cashier at a station during a shift. In such a case when the cash is transferred from one writer/cashier to the next writer/cashier, the cash summary report for the shift is to reflect for each writer/cashier and each station the amount of cash turn-in and any variances between the cash turn-in and the amount of net cash that the race and sports computer system indicates should be in each writer/cashier station.

Note 2: MICS #44 does not apply to areas outside the race and sports book area (e.g., casino cage) that cash tickets.

Note 3: MICS #44 does not apply to betting kiosks.

Note 4: Alternatively, MICS #43 and #44 may be performed for each writer/cashier rather than each writer/cashier station.

45. For each betting kiosk:

    a. At least weekly, all winning tickets and vouchers in the kiosk are removed by a minimum of two employees.

    b. At least weekly, a minimum of two employees remove all cash from the kiosk, count the cash and document the count.

    c. Whenever employees remove winning tickets or vouchers from a kiosk, or cash is removed from or inserted into a kiosk, kiosk reports are generated from the kiosk regarding kiosk transactions and accountability.

    d. At least weekly and whenever employees remove winning tickets, vouchers or cash from a kiosk, the kiosk transactions are reconciled by race and sports book or accounting employees as follows: all the cash remaining in each kiosk to the cash loaded into the kiosk plus/minus cash transactions. The kiosk reports are compared to the transactions recorded by the race and sports computer system. Variances are documented and investigated.

    e. Winning tickets and vouchers are ultimately delivered to the accounting department.

Employee Segregation of Duties

Note: Administrative functions include setting up events, changing event data, and entering results at any time.

46. Employees who perform the supervisory function of approving void tickets do not write tickets unless:

    a. The only supervisory function allowed is approval of void tickets prior to post time.

    b. A supervisor, acting as a writer, may not authorize a void for a ticket which he wrote.

    c. All tickets written by a supervisor which are subsequently voided and all not-in-computer voids must be recorded in a log, used specifically for that purpose, which indicates the supervisor's/writer's name and the name of the person authorizing the void.

    d. The log must be forwarded to a department independent of the book (i.e., accounting/audit) on a daily basis for a 100% audit of void tickets (using the log and the tickets) for the proper signatures on the ticket, a void designation on the ticket, date and time of the void on the ticket (for not-in-computer voids), any indications of past-post voiding, and other appropriate regulation compliance. Any discrepancies noted and investigations performed must be documented in writing and maintained.

    e. A department independent of the book (i.e., accounting/audit) must perform a 100% audit of the exception report for any inappropriate use of the supervisory password. Any discrepancies noted and investigations performed must be documented in writing and maintained.

47. Employees, including supervisors, who write or cash tickets are prohibited from accessing the administrative terminal or performing administrative functions.

Note: An employee assigned writer/cashier functions is not allowed to switch for certain shifts or days to having administrative functions. Conversely, an employee assigned administrative functions is not allowed to switch for certain shifts or days to having writer/cashier functions.

Generic Passwords for Casino Cage Cashiers

Note: MICS #48 does not apply when a supervisor signs onto a common terminal with his or her individual password and the supervisor takes responsibility for the race and sports payouts.

48. Generic passwords for the race and sports computer system are prohibited in the casino cage unless:

    a. Each cashier redeems tickets from the cashier's assigned window bank.

    b. After verifying the winning ticket in the race and sports computer system, the cashier then signs the patron's copy of the ticket, immediately date/time stamps the ticket at the cashier's assigned window, and then maintains the ticket in the cashier's cash drawer.

    c. Each cashier is assigned a unique date/time stamp used solely at the cashier's assigned window.

    d. Payouts of $2,000 or more require the supervisor to enter the supervisor's approval code and to sign the ticket.

    e. Payouts of $10,000 or more require supervisory personnel independent of the cage department to enter an approval code and to sign the ticket.

    f. A summary sheet is prepared which lists all of the cashiers working that shift, the cashiers' assigned windows, the date/time stamp identification, and the total tickets cashed per cashier. The total of that report is then balanced to the total cashed per the race and sports book end-of-shift report.

    g. Any discrepancies noted and investigations performed are documented in writing and maintained.

Computerized Player Tracking Systems

Note 1: Compliance with MICS #49 - #54 is required for all computerized race and sports player tracking systems.

Note 2: As used in these Race and Sports MICS, the term "point" or "points" is a generic term and refers to a representative of value awarded to a patron based upon specific criterion established by the licensee. Commonly, points are earned by patrons by placing wagers or purchasing room, food, beverage or entertainment admissions. Patron accounts in a player tracking system are used to track points earned/awarded to patrons.

49. The addition/deletion of points to player tracking accounts other than through an automated process related to actual play must be sufficiently documented (including substantiation of reasons for increases) and authorized/performed by supervisory personnel of the player tracking, promotions, or race and sports departments. The addition/deletion of points to player tracking accounts authorized by supervisory personnel is documented and is randomly verified by accounting/audit personnel on a quarterly basis.

Note: The above MICS does not apply to the deletion of points related to inactive or closed accounts through an automated process.

50. Employees who redeem points for patrons cannot have access to inactive or closed accounts without supervisory personnel authorization. Documentation of such access and approval is created and maintained.

51. Patron identification is required when redeeming points without a player tracking card.

52. Changes to the player tracking system parameters, such as point structures and employee access, must be performed by supervisory personnel independent of the race and sports department. Alternatively, changes to player tracking system parameters may be performed by race and sports supervisory personnel if sufficient documentation is generated and the propriety of the changes are randomly verified by personnel independent of the race and sports department on a quarterly basis.

53. All other changes to the player tracking system must be appropriately documented.

54. Rules and policies for player tracking accounts including the awarding, redeeming and expiration of points are prominently displayed or available for patron review at the licensed location.

Computer Reports

Note 1: Documentation equivalent to the following must be prepared for satellite books on a "per book" basis.

Note 2: Wagers placed using communications technology can be included in the documentation of the central site book that accepted and recorded the patron's wager. If so, such procedures are delineated within the race and sports section of the written system of internal control pursuant to Regulation 6.090.

55. Adequate documentation of all pertinent race and sports book information is generated by the race and sports computer system.

56. This documentation is restricted to authorized personnel. The generation of end-of-day race and sports computer system reports must be performed by or observed by an employee from a department independent of the race and sports book department. Each report indicates the date, book's name (or other identifier), and title of report.

Note: As used in MICS #57 and #58 race and sports computer system report descriptions, the term "ticket description" refers to the terms of the wager as described in MICS #11.

57. Race and sports computer system documentation is created daily and includes, at a minimum, the following reports:

    a. Transaction report which lists, by writer/cashier, for each write, payout, and void transaction: the ticket number, transaction date and time, writer/cashier station number, writer/cashier number, transaction type, ticket description, and amount of transaction. The report lists, by writer/cashier, and in total, the amount of write, voids, payouts, vouchers issued, and vouchers redeemed.

    Note: The transaction report may be a combination of more than one report (e.g., one for write and one for payouts). Wagering account transactions may be in a separate wagering account transaction report

    b. Race prices report which lists, for each meet's race: the race date and time (stop betting time), the race number, the winners (e.g., horse identification) and payout amounts for the different types of wagers.

    c. Sports book results report which lists, for each event: the event date and cutoff time (as previously entered into the race and sports computer system), the event (e.g., team names and team identifications), and the event results/winners.

    d. Futures reconciliation report which lists the amount of, by date of event/race for today and future event dates: wagers written on previous days (previous write), wagers written today on future events (write today or future write), wagers written on previous days refunded today (previous canceled today), wagers written on previous days for today's event/race (futures back-in), and total remaining wagers written for events/races in the future (net write).

e. Futures reports:

1) Futures back-in ticket detail report which lists the tickets written on previous days for events/races occurring today, by event/race, including: the ticket number, ticket description, and date of event/race. The report lists the total amount of wagers written on previous days for today's event/race.

2) Future ticket detail report which lists the tickets written on previous days and today for events/races in the future, by date of event/race and by event/race, including: the ticket number, ticket description, and date of event/race. The future tickets detail report lists totals of the amount of wagers by date of event/race, by event/race and for all tickets.

f. Unpaid reports:

1) Unpaid winners detail ticket report which lists the unexpired, winning tickets that have not been paid including: the event/race date, ticket number, ticket description, and amount to be paid, and payout amounts in total.

2) Unredeemed voucher detail report which lists the unexpired vouchers that have not been redeemed including: the voucher number, date of issue, and amount of voucher, and vouchers in total.

Note: Tickets and vouchers expire when the period of time the book will honor winning wagers/vouchers has lapsed.

g. Purge reports:

1) Purge detail ticket report which lists the expired, winning tickets that have not been paid, by ticket number, including: the event/race date, ticket number, ticket description, and amount of payout.

2) Purge detail voucher report which lists the expired vouchers that have not been redeemed including: the voucher number, date of issue, and amount of voucher. The report lists total amount of vouchers to be added back into revenue.

Note: Tickets and vouchers expire when the period of time the book will honor winning wagers/vouchers has lapsed.

h. Unpaids and voucher summary reports:

1) Unpaids summary report which lists the amount of: beginning balance of unpaid tickets, previously unpaid tickets paid today, new unpaid tickets (i.e., unpaid ticket from event/race occurred today) and ending balance of unpaid tickets.

2) Voucher summary report which lists the amount of: beginning balance of unredeemed vouchers, previously unredeemed vouchers redeemed today, new unredeemed vouchers (i.e., vouchers issued today and remained unredeemed) and ending balance of unredeemed vouchers.

Note: The beginning balance is not required to be listed on the report as long as the previous day's ending balance of unpaid/unredeemed is available.

i. Wagering account reports as follows:

1) Daily account wagering detail report which lists by writer/cashier station number, each transaction including: writer/cashier station number, wagering account number, the transaction (e.g., wager, deposit, withdrawal), and the transaction amount. The report lists totals by transaction type.

Note 1: The daily account wagering detail report may be a part of the wagering account transaction reports or a combination of reports.

Note 2: The writer/cashier station number is not identified when the patron places a wager through a mobile device.

2) Daily account wagering summary report which lists by writer/cashier station number, for wagering accounts with activity for the day, by wagering account and in total: the amount of deposits, winnings, voided wagers, wagers, withdrawals and other adjustments. The report lists totals for write, voids/cancelled, net write payouts and net win.

j. Accrual basis recap report which lists the amount of tickets written today for today's events/races (current write), wagers written today on future events (future write), wagers written on previous days for today's event/race (futures back-in), accrual write, payouts from wagers written today and paid today (current payouts), payouts paid today for events on previous days (previous payouts), unpaid winners from event/race occurred today (current unpaids), accrual payout, unpaid winners and unredeemed vouchers expired today (unpaids to revenue), taxable revenue, and book revenue. The accrual basis recap report is a daily and month-to-date report. Daily and month-to-date amounts may be reflected in separate reports rather than one report.

Note 1: As used in the above accrual basis recap report:

- Accrual write is equal to: current write, (+) futures back-in.
- Accrual payout is equal to: current payouts, (+) current unpaids.
- Book (accounting) revenue is equal to: accrual write, (-) accrual payouts, (+) unpaids to revenue.
- For cash basis, taxable revenue on NGC tax returns is equal to: current write, (+) future write, (-) current payouts, (-) previous payouts, (+) expired unredeemed vouchers when vouchers were included in payout amounts.
- For modified accrual basis, taxable revenue on NGC tax returns is equal to: accrual write, (-) current payouts, (-) previous payouts, (+) expired unredeemed vouchers when vouchers were included in payout amounts.

Note 2: Alternatively, the accrual basis recap report may include "today's write" and "today's payouts" rather than "current write" and "current payouts" as follows:

- Today's write is equal to: current write, (+) future write.
- Today's payouts is equal to: current payouts, (+) previous payouts.

k. Exception information (sorted by exception type), including:

1) Voids, past-post voids, in-progress voids, past-post write, in-progress write.

2) Changes in odds, cut-off times, results, event data.

3) All supervisory approvals.

58. The race and sports computer system documentation for wagering account activity is created on demand, and includes, at a minimum, for a day, month-to-date, year-to-date and two-year cumulative basis:

a. Customer transaction detail report that lists, by wagering account and in total, for all wagering accounts: the wagering account number, beginning balance, each deposit (date and amount), wagers and cancelled wagers (ticket number, transaction date and time, and ticket description), winning wagers (ticket number,

transaction date and time, ticket description, and payout amount), net win, withdrawals (date and amount), adjustments (date and amount), and ending balance.

b. Customer transaction summary report that lists, by wagering account and in total, for all wagering accounts: the wagering account number, patron's name, beginning balance, deposits, amount of wagers (write and cancelled wagers), amount of winning wagers, net win, withdrawals, adjustments, and ending balance.

Note 1: All wagering accounts regardless of account balance must be included on the customer transaction summary report.

Note 2: Daily, month-to-date, year-to-date, and two-year cumulative amounts may be reflected in separate reports rather than one report.

Accounting/Audit Standards

59. The race and sports book audit is conducted by someone independent of the race, sports, and pari-mutuel operations.

Note: Such personnel may also perform the audit function for the outstation book of affiliated properties (and vice versa).

60. At least once a quarter, for each betting kiosk, foot the winning tickets and vouchers redeemed for a week and trace the totals to the totals recorded in the race and sports computer system and the related accountability document. This procedure may be performed for different kiosks throughout the quarter as long as each kiosk's activity is examined once a quarter. Document the test and the results of investigations into all variances, by kiosk.

Note: This procedure may be performed by non-accounting personnel as long as the individual has not performed the reconciliation required by MICS #45.

61. At least annually, accounting/audit personnel will foot the write on the restricted computer system record of written tickets for a minimum of three writers/cashiers for each race book and three writers/cashiers for each sports pool for one day and trace the total to the total produced by the race and sports computer system.

62. Accounting/audit personnel foot the customer copy of paid tickets for a minimum of one writer/cashier station for one day per month and trace the totals to those produced by the race and sports computer system.

63. At least annually, for one day, accounting/audit personnel foot the redeemed vouchers for one writer/cashier station and trace the totals to those produced by the race and sports computer system.

64. Daily, for each writer/cashier station except for betting kiosks, the write and payouts are compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances (i.e., overages or shortages greater than $100 per writer/cashier).

65. Daily, reconcile the dollar amount of WAT in and WAT out per the WAT By Gaming Area report to the transaction report. Investigate and document any variances noted.

66. Daily, select a random sample of 5 paid transactions from the race and sports computer system transaction report and trace the transaction to the customer's copy of the paid ticket.

67. Daily, for all sports book winning tickets and winning parlay card tickets in excess of $10,000, for all race book winning tickets in excess of $1,000, and for a random sample of ten of all other winning race and sports book tickets:

    a. The tickets are recalculated and regraded using the race and sports computer system record of event results.

b. The date and starting time of the event/race per the results report are compared to the date and time on the ticket and in the race and sports computer system transaction report.

c. The terms of the wagers (e.g., point spreads, money lines, etc.) per the race and sports computer system transaction report or other report indicating all point spreads and money lines at which wagers were written are reviewed and compared to an independent source for questionable activity (see Regulation 22.125).

Note 1: For sports book winning tickets and parlay card tickets, the terms of the wagers can be compared to an independent source such as a newspaper (or its website), sports league website, a licensed sports information service or other reputable source.

Note 2: The same transactions selected for MICS #68 examination may be used as part of the sample selected for MICS #67.

68. Daily, accounting/audit personnel, for payouts made without race and sports computer system authorization at the time of payment including such payouts for contest/tournament winners, will:

a. Trace all payouts to the race and sports computer system transaction report or the purged tickets report to verify authenticity of the initial wager.

b. For payouts subsequently entered into the race and sports computer system by race and sports personnel, compare the manual payout amount to the race and sports computer system amount.

c. For payouts not entered into the race and sports computer system by race and sports personnel, enter the payout into the race and sports computer system and compare the manual payout amount to the race and sports computer system amount. If the system is inoperative, manually regrade the ticket to ensure the proper payout amount was made.

Note: Appeasement payments (e.g., nonwinning ticket payouts resulting from a customer complaint or employee error) are not deductible from gross revenue.

69. Daily, the race and sports computer system's summary of events/results report is traced to an independent source for 5% of all sporting events and 5% of all races to verify the accuracy of starting times (if available from an independent source) and final result.

Note: The starting times for sporting events and races that are wagered on in conjunction with a tournament or contest is included in population from which the 5% sample is chosen.

70. Daily, for all voided tickets:

a. The race and sports computer system reports which display voided ticket information are examined to verify that tickets were properly voided in the computer system.

b. The voided tickets are examined for a void designation and proper signatures, and for not-in-computer voids, the date and time stamp on the ticket for the time of the void.

c. For a race and sports computer system that prints void tickets, a void ticket attached to the original ticket.

71. System exception reports are reviewed on a daily basis for propriety of transactions and unusual occurrences including, but not limited to: changes in odds, cut-off times, results, and event data (both information input by book employees, and information provided directly by a disseminator); in-progress events and void authorizations. All noted improper transactions or unusual occurrences noted during the review of exception reports are investigated with the results documented.

Note: An exception report is defined as a report produced by the computerized system identifying unusual occurrences, changes to system configuration parameters, alteration to initially recorded data, voids, etc.

72. At least one day per calendar quarter, the race and sports computer system reports (and as applicable the pari-mutuel computer system reports) are reviewed, for Regulation 22.040 compliance purposes, for the proper calculation of the following:

    a. Amounts held by the book for patrons' wagering accounts;

    Note: Only applicable if wagering accounts are used exclusively for race and sports.

    b. Amounts accepted by the book as wagers on events whose outcomes have not been determined (futures); and

    c. Amounts owed but unpaid by the book on winning wagers through the period established by the book for honoring winning wagers (unpaid winners and unredeemed vouchers).

73. For one day per calendar quarter, accounting/audit personnel:

    a. Recalculate and verify the change in the unpaid winners and unredeemed vouchers balance to the total purged tickets and vouchers.

    b. If future wagers are accepted, review the race and sports computer system reports to ascertain that future wagers are properly included in write on the day of the event.

    c. Select two nonpari-mutuel race quinella winning tickets (if such tickets exist for the test day), two other nonpari-mutuel race winning tickets and two sports winning tickets to verify that the wager was accepted and payouts were made in accordance with the posted house rules.

74. Accounting/audit personnel reviews all wagering multiple transaction logs, and either ensures that book wagering reports have been completed for all reportable transactions or prepares book wagering reports for all reportable transactions pursuant to Regulation 22.061.

75. The book wagering report is signed by the employee who prepared the report.

76. Accounting remits all book wagering reports to the Board in accordance with Regulation 22.061(6).

77. Monthly, accounting/audit personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs to determine proper accounting treatment and proper race and sports book win/loss computation.

78. For all contests, tournaments, promotional payouts (including payouts from computerized player tracking activity), drawings, and giveaway programs the following documentation is maintained:

    a. Copies of the information provided to the patrons describing the contests, tournaments, promotional payouts, drawings, and giveaway programs (i.e., brochures, fliers).

    b. Effective dates.

    c. Accounting treatment, including general ledger accounts, if applicable.

    d. For tournaments and contests, the dollar amount of the prize pool. Additionally, if applicable, include the amount of contributions to the prize pool by patrons and the amount supplemented by the licensee.

    e. For tournaments and contests, the name of the organizations (or persons) registered pursuant to NRS 463.169 that conducted the contest/tournament on behalf of, or in conjunction with, the licensee, if any.

The extent of responsibilities (including MICS compliance responsibilities) each organization and the licensee had in the contest/tournament (e.g., ABC nonprofit is to receive 100% of the entry fees and provide noncash prizes for the winners with the licensee collecting entry fees, operating the tournament and distributing prizes to winners) will also be documented.

79. Monthly, accounting/audit personnel perform procedures to ensure that promotional payouts, drawings, and giveaway programs are conducted in accordance with conditions provided to the patrons. The procedures must include a review of documents along with employee interviews and/or observations.

80. Daily, accounting/audit personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document and race and sports computer system report.

81. When payment is made to the winners of a contest/tournament, accounting/audit personnel will reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made. This reconciliation is to determine whether based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules.

82. Monthly, reconcile the total amount of WAT in and WAT out per the WAT Summary report to the month-end accrual basis recap report. This reconciliation is documented and maintained. All variances are reviewed, documented and maintained.

83. Monthly, accounting/audit personnel reconcile gross revenue from the month-end accrual basis recap report to the general ledger and to the monthly NGC tax return. This reconciliation is documented and maintained. All variances including the variance caused by the reduction of race and sports revenue on the NGC tax return due to an allowable tax deduction supported by inter-casino linked system reports are reviewed, documented, and maintained.

84. Prior to submission of the NGC tax returns for the month, the reconciliations required by MICS #82 and #83 are completed, and any follow-up performed is documented and maintained. Any variances noted are resolved prior to submission of the tax returns.

85. Monthly, accounting/audit personnel review the accounting records (including the reconciliation documentation from MICS #82 and #83) and the NGC tax returns to ensure that the write and win has been properly reported according to the appropriate revenue area (i.e., nonpari-mutuel race write and win listed under race, pari-mutuel race write and win included under pari-mutuel race, etc.).

86. Monthly, accounting/audit personnel review the NGC-32 form to determine that all nonpari-mutuel race wagers have been reported, broken out by disseminator and by track. If a single wager is accepted involving more than one track (e.g., a parlay wager off the board), determine that the wager is apportioned on a pro rata basis to each track.

Note: This procedure must be calculated manually when the race and sports computer system does not properly apportion a single wager involving more than one track on a pro rata basis to each track.

87. Monthly, accounting/audit personnel reconciles the information on the NGC-32 form to pari-mutuel and nonpari-mutuel write and win information reported on the corresponding NGC-31 report, with the reconciliation documented and any variances investigated.

88. For race books (including pari-mutuel only books), monthly, a copy of the original NGC-32 form that was submitted to the Board is forwarded to the respective disseminators in accordance with Regulation 20.030.

Note: The NGC-32 form must be submitted to the Board and a copy forwarded to a disseminator even if there were no race wagers accepted or payouts made.

89. Quarterly, an inventory of all sensitive race and sports keys is performed and reconciled to records of keys made, issued, and destroyed. Investigations are performed for all keys unaccounted for, with the investigations being documented.

Note: Sensitive keys include, but are not limited to, keys used to access restricted computer storage media and/or restricted equipment used to conduct the race and sports book (i.e., administrative computer terminal) and to the date and time stamping machines.

90. If a progressive pool is used for wagers, accounting/audit personnel recalculate the progressive increment based on the wagering activity, at least once a week. Any variance is reviewed with the investigation results documented and maintained.

91. For race and sports computerized player tracking systems, an accounting/audit employee shall perform the following procedures at least one day per quarter:

    a. Review all point addition/deletion authorization documentation, other than for point additions/deletions made through an automated process, for propriety.

    b. Review exception reports including transfers between accounts.

    c. Review documentation related to access to inactive and closed accounts.

92. At least annually, the computerized race and sports player tracking system (in-house developed and purchased systems) is reviewed by personnel independent of the individuals that set up or make changes to the system parameters. The review is performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization (e.g., verify the accuracy of the awarding of points based on the dollar amount wagered). The system should also be tested, if possible, to further verify the accuracy of the configuration parameters (e.g., simulate activity to verify the accuracy of the amount of points awarded). The test results are documented and maintained.

93. Documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) is maintained evidencing the performance of race and sports audit procedures, the exceptions noted and follow-up of all race and sports audit exceptions.

Statistics

94. Reports are maintained for each month and year-to-date which indicate the total amount of wagers accepted, total amount paid out on winning wagers, the net amount won by the book (i.e., taxable win), and the win-to-write percentage for:

    a. Each sport (e.g., baseball, basketball, football, hockey, golf, boxing, etc.).

    b. Sports parlay cards.

    c. Nonpari-mutuel horse/greyhound racing.

95. A report is maintained for each month and year-to-date which indicates, for pari-mutuel horse racing, the total amount of wagers accepted, the net amount won by the book (i.e., pari-mutuel gross revenue), and the win-to-write percentage.

96. The month-end race and sports statistical reports required by MICS #93 and #94 (prepared prior to the submission of the NGC tax returns for the month in which the activity occurred) are presented to and reviewed by management independent of the race and sports book on at least a monthly basis and such management investigates any large or unusual statistical fluctuations. The investigation is to be completed no later than 30 days after the generation of the month-end race and sports statistical report.

97. The above referenced review will be performed by comparing the current period statistics for each type of event with those of applicable prior periods with investigations performed for statistical fluctuations for a month in excess of ± 5%.

Note: Common comparisons include either:

- The current month to the same month from the previous year.
- A rolling year-to-date to the same year-to-date period from the prior year.

98. The results of such investigations are documented in writing and maintained.

Note: The calculation of the statistics based upon "accounting records (or book) win" is not required and not a substitute for calculating statistics based upon NGC tax return write and win. However, such a calculation may be used as part of an analysis of any statistical fluctuations.

Payout Procedures for Mail-In Winning Race and Sports Tickets and Vouchers

99. Accounting/audit personnel or personnel independent of the race and sports book receive the original winning race/sports tickets and vouchers.

100. Accounting/audit personnel or personnel independent of the race and sports book record the winning race/sports tickets and vouchers on a log as a mail pay. The log includes the date received, patron's name, and race/sports ticket numbers and voucher numbers.

101. The winning race/sports tickets and vouchers are entered into the race and sports computer system by race and sports personnel or accounting/audit personnel for validation and cancellation.

102. Accounting/audit personnel compare the "paid" winning race/sports tickets and "paid" vouchers to the mail pay log and the race and sports computer system report for paid winning race and sports tickets and vouchers. Any discrepancies are documented and reviewed with race and sports and accounting management personnel.

103. Accounting/audit personnel, independent of the individual(s) who processed the mail pay winning tickets and vouchers, reviews the patron's correspondence submitted, the winning race/sports tickets and vouchers, the mail pay log and the race and sports computer system report for "paid" winning race and sports tickets and "paid" vouchers for any discrepancies. Any discrepancies are documented and resolved prior to remitting the proper payment amount to the patron.