

# Approval Process for New Associated Equipment

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# AE Defined

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**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.

# Examples

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Includes, but is not limited to:

- Automatic Shufflers
- Automatic Ball, Card Readers\*
- Ball Drawing Devices – Automated Reader
- Bingo Systems / Electronic Bingo
- Box Office / Live Entertainment Tax Systems
- Computerized Keno Systems
- Coin & Currency Counters\*
- Inter-Casino Linked Systems
- Kiosks\*
- Live Entertainment Tax Systems
- On-line Slot Metering Systems
- Progressive Controllers
- Promotional Devices
- Race, Sports and Pari-Mutuel Race & Sports Systems
- Slot Information Systems\*
- Slot Player Tracking Systems
- Soft Count System

\*Interfaced to a regulated system

# License Requirements

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**NRS 463.650 License required for manufacture, selling or distribution of gaming device, cashless wagering system, mobile gaming system or interactive gaming system; exceptions; applicability of NRS 463.482 to 463.645, inclusive.**

1. Except as otherwise provided in subsections 2 to 5, inclusive, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to operate, carry on, conduct or maintain any form of manufacture, selling or distribution of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada or for distribution outside of Nevada without first procuring and maintaining all required federal, state, county and municipal licenses.

# Finding of Suitability

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## **NRS 463.665 Finding of suitability for manufacturer or distributor of associated equipment.**

1. A manufacturer or distributor of associated equipment who sells, transfers or offers the associated equipment for use or play in Nevada may be required by the Commission, upon recommendation of the Board, to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.
2. Any person who directly or indirectly involves himself in the sale, transfer or offering for use or play in Nevada of such associated equipment who is not otherwise required to be licensed as a manufacturer or distributor may be required by the Commission, upon recommendation of the Board, to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.
3. If an application for a finding of suitability is not submitted to the Board within 30 days after demand by the Commission, it may pursue any remedy or combination of remedies provided in this chapter.

# Fees, Equipment & Training

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- NRS 463.670(4) allows the Board to inspect all associated equipment and systems. Pursuant to the provisions of NRS 463.670(5), the Board charges manufacturers of associated equipment a fee for inspections of newly developed associated equipment and modifications of previously approved associated equipment.
  - \$150 per hour
  - Monthly Ledger
  - Negative balance = Review Stoppage
  
- Pursuant to NGC Regulation 14.270, a manufacturer may be required to provide specialized equipment or services of an independent technical expert to evaluate the equipment.
  - Specialized Equipment or Training. i.e.: emulators, communication analyzers, wireless networking, distributed computing.



# New AE Review Process Overview

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**Goal: 90 Days from the determination of a complete submission.**

- Complete Submission
- GCB & Manufacturer Kick-Off Meeting
- GCB Testing
- Manufacturer Corrections
- GCB Retesting
  - Manufacturer Corrections
  - GCB Retesting
    - Manufacturer Corrections
    - GCB Retesting
      - Manufacturer Corrections
      - GCB Retesting
- Field Trial
- Final Approval



# Complete Submission

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**The submission is not considered complete until the Board has received all of the following:**

- A. Manufacturer's Request for Review of Associated Equipment.
- B. Complete System Documentation
  - ❑ Technical Overview
  - ❑ Suggested Installation Topology
- C. Compliance Report
  - ❑ Specifically how the system complies with each of the applicable Regulations and Technical Standards

# Complete Submission

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- D. Copy of all Software
- E. Any necessary hardware and software to reproduce programming
- F. List of peripheral equipment
  - Kiosks, counters, voucher printers, etc.
- G. Operators/Users Manual
- H. As applicable, completed checklists
  - [http://gaming.nv.gov/agency\\_forms.htm#aechklist](http://gaming.nv.gov/agency_forms.htm#aechklist)
- I. Audited Results of a Simulated Three Day Test
  - ***Critical*** – See slide below

# Complete Submission

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- J. A working model of the equipment or system for review
  - Regulation 14.270 – up to two working models.
  - Board office or Manufacturer's Place of Business.
  - Associated Hardware, Gaming Devices, Signage, etc.
- K. Deposit sufficient to cover the anticipated review charge.
- L. Identification of Trial Location
  - Signed User's Request for Installation of AE form
  - \*Personal History Questionnaire for Manufacturer's initial submission
  - \*Industry Letter April 24, 2006

[http://gaming.nv.gov/documents/pdf/industry\\_ltr\\_117.pdf](http://gaming.nv.gov/documents/pdf/industry_ltr_117.pdf)

# Audited Three Day Test

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The results of a simulated three day test to confirm the system is functioning as submitted.

- Checklists
  - [http://gaming.nv.gov/agency\\_forms.htm](http://gaming.nv.gov/agency_forms.htm)
- Field Trial Procedures for approved associated equipment
  - [http://gaming.nv.gov/trial\\_period\\_procedures\\_ae.htm](http://gaming.nv.gov/trial_period_procedures_ae.htm)
- All transactions that affect compliance
  - Voids, overrides, expires, adjustments, etc.
- **Must Be Audited**
  - Report totals footed and cross-referenced to related reports.



# Kick-Off Meeting

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- Testing Requirements
- Equipment Requirements
- Trial Location
- Points of Contact
- Targeted Turnaround Timeframe
- Demonstration

# GCB Testing

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- Review Submission Material for system familiarization
- Develop Test Plan
  - Manufacturer's Three Day Test Results, User's Manuals
  - Compliance Report, Technical Documentation
- Technical Review
  - Regulatory Compliance
  - Implementation
  - Interoperability
- Audit Review
  - GCB Three Day Test
    - MFG Verify System Installation and Configuration
    - Audit of system prior to testing
    - Staff Available during testing
  - Regulatory Compliance
  - Proper Accountability
  - Accuracy of Reporting

# GCB Testing

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What to Expect During the review process:

- To Provide Technical Support
- Engineer and Agent questions
- Status Updates from the Senior Engineer
- Change/Correction notification from Senior Engineer, Lab Manager, Chief, or Board Member
- Formal Issues List
- Manufacturer Corrections and Retesting
  - Only GCB Requested Changes

# Field Trial

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- In accordance with GCB Regulation 14.280:
  1. The chairman or his designee may allow or require that the associated equipment be tested at licensed gaming establishments for not more than 180 days under terms and conditions that he may approve or require.
  2. A manufacturer of associated equipment shall not modify associated equipment during the test period without the prior oral approval of the chairman or his designee.
  3. The chairman may order termination of the test period, if he determines, in his sole and absolute discretion, that the manufacturer or the distributor of the associated equipment or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period.



# Field Trial

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- Prior to the trial
  - Points of Contact
  - Installation Topology
  - Start Date
- During Trial
  - Trial Start
    - System Verification
    - Procedures
  - Weekly Reporting
  - Mid-Trial Review
  - Corrections, Review
- Post Trial
  - Final Walkthrough
  - Corrections, Review



# Final Approval

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- ❑ Board and Commission
- ❑ GCB Device and Approval Numbers Issued
- ❑ Approval Documents
- ❑ Modifications.