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NEVADA GAMING COMMISSION

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NOTICE

Notice #2015-101

Issuer: Executive Secretary

DATE: **October 16, 2015**

TO: **ALL LICENSEES AND OTHER INTERESTED PERSONS**

SUBJECT: **2015-07R, 2015-08R AND 2015-09R: NOTICE OF HEARING FOR CONSIDERATION AND/OR ADOPTION OF AMENDMENTS NEVADA GAMING COMMISSION REGULATIONS 3, 5, 22, AND 26C, AS WELL AS AMENDMENTS TO NEVADA GAMING COMMISSION REGULATIONS TO EFFECTUATE SENATE BILL 38, PASSED DURING THE 2015 LEGISLATIVE SESSION, AS IT RELATES TO ASSOCIATED EQUIPMENT**

The Nevada Gaming Commission (NGC) will hold a public hearing for the purpose of considering adoption, amendment or repeal of the regulation(s) stated below.

Part of this workshop will be to consider adoption, amendment or repeal of Nevada Gaming Commission (NGC) Regulations to effectuate Senate Bill 38, passed during the 2015 Legislative Session, as it relates to associated equipment.

The text of Senate Bill 38 is available at the following URL:

http://leg.state.nv.us/Session/78th2015/Bills/SB/SB38_EN.pdf

The public hearing will be held on or about the hour of 10:00 a.m. on November 19, 2015 at the following locations:

**Grant Sawyer Building
Hearing Room 2450
555 East Washington Avenue
Las Vegas, Nevada**

**and via video conference at the
Gaming Control Board Office**

**1919 College Parkway
Carson City, Nevada**

**2015-07R: PROPOSED NEW REGULATION SECTIONS TO REGULATION 5
PROPOSED AMENDMENTS TO REGULATIONS 3.100, 5.055, 5.105, and 5.240**

For Possible Action

PURPOSE: To expand required reporting of criminal violations; to promulgate new regulation sections concerning club venues; to limit the applicability of regulations regarding club venues; to define terms used throughout the new regulation sections; to require employees be designated to monitor club venues and require such employees be listed in the annual employee report required by Regulation 3.100; to set out which club venue employees shall be required to register in the same manner as gaming employees; to set out club venue reporting requirements; to set out termination reason reporting requirements; to set out security and surveillance requirements for club venues; to set out medical service and staffing requirements; to require independent hosts or promoters to have written agreements with club venues; to require independent hosts or promoters to register in a manner similar to independent agents; to require independent audits of club venues and set out the requirements therefore; to set out required club venue policies and procedures provisions; to set out requirements regarding access to club venue areas and records; to require a revolving account for club venue undercover operations; to set out specific unsuitable methods of operation with regard to club venues; to remove references to marketing affiliates; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**2015-08R: PROPOSED NEW REGULATION SECTION TO REGULATION 22
PROPOSED AMENDMENTS TO REGULATIONS 22.061, 22.140, 22.160 AND 22.121**

For Possible Action

PURPOSE: To amend account wagering rules to specifically contemplate business entities; to require notice from a licensee intending to accept wagers from business entities; to require all interest holders in a business entity which will place wagers be fully disclosed; to require a licensee be able to trace all funds used by a business entity to place wagers; to require a licensee perform due diligence on a business entity from which the licensee accepts wagers and to record and maintain records of any due diligence performed by the licensee; to prohibit a licensee from accepting wagers from a business entity if it is unable to verify certain information about a business entity; to require books to request independent annual audits or third party verification from business entities placing wagers with the books; to require immediate reporting of any violation of law or regulation related to a business entity placing wagers with a book; to prohibit the extension of credit to a business entity; to require all business entity wagering activity occur through a wagering account; to require a book to report the closure or suspension of a business entity wagering account or dissolution of a wagering business entity to the Board and the reasons therefore; to require the adoption, display, and adherence to house rules concerning business entities; to set out rules regarding business entity deposits and withdrawals to and from wagering accounts; to exclude business entities from being classified as listed patrons; to expand suspicious wager reporting to specifically

include potential violations of money laundering and illegal sports wagering laws; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

**PROPOSED NEW REGULATION SECTION TO REGULATION 26C
PROPOSED AMENDMENTS TO REGULATIONS 26C.160 AND 26C.190**

For Possible Action

PURPOSE: To amend account wagering rules to specifically contemplate business entities; to require notice from a licensee intending to accept wagers from business entities; to require all interest holders in a business entity which will place wagers be fully disclosed; to require a licensee be able to trace all funds used by a business entity to place wagers; to require a licensee perform due diligence on a business entity from which the licensee accepts wagers and to record and maintain records of any due diligence performed by the licensee; to prohibit a licensee from accepting wagers from a business entity if it is unable to verify certain information about a business entity; to require books to request independent annual audits from business entities placing wagers with the books; to require immediate reporting of any violation of law or regulation related to a business entity placing wagers with a book; to require all business entity wagering activity occur through a wagering account; to prohibit the extension of credit to a business entity; to require a book to report the closure or suspension of a business entity wagering account or dissolution of a wagering business entity to the Board and the reasons therefore; to require the adoption, display, and adherence to house rules concerning business entities; to set out rules regarding business entity deposits and withdrawals to and from wagering accounts; and to take such additional action as may be necessary and proper to effectuate these stated purposes.

2015-09R: AMENDMENTS TO NEVADA GAMING COMMISSION REGULATIONS TO EFFECTUATE SENATE BILL 38, PASSED DURING THE 2015 LEGISLATIVE SESSION, AS IT RELATES TO ASSOCIATED EQUIPMENT.

For Possible Action

PURPOSE: To amend Nevada Gaming Commission ("NGC") Regulation 14 to adopt regulations governing associated equipment as set forth under section 5.5 of Senate Bill 38 from the 78th (2015) Session of the Nevada Legislature; To adopt regulations prescribing the manner and method for the approval of associated equipment by the Nevada Gaming Control Board ("Board"); To adopt regulations prescribing the method and form of any application for the approval of associated equipment by the Board; To adopt regulations that require persons who manufacture or distribute associated equipment for use in this State to be registered by the Commission if such associated equipment is:

1. Directly used in gaming;
2. Has the ability to add or subtract cash, cash equivalents or wagering credits to a game, gaming device or cashless wagering system;
3. Interfaces with and affects the operation of a game, gaming device, cashless wagering system or other associated equipment;
4. Is used directly or indirectly in the reporting of gross Revenue;
5. Records sales for use in an area subject to the tax imposed by NRS 368A.200; or
6. Is otherwise determined by the Commission to create a risk to the integrity of gaming and protection of the public if not regulated;

To adopt regulation that establish the degree of review an applicant for registration must undergo, which level may differ for different forms of associated equipment; To adopt

regulations to establish fees for the application, issuance and renewal of the registration required pursuant to this section, not to exceed \$1,000 per application, issuance or renewal of such registration; And to take such additional action as may be necessary and proper to effectuate this stated purpose.

The proposed regulation changes will be considered by the Commission in accordance with the provisions of NRS 463.145 which provides that on the date and at the time and place designated, any interested person, or their duly authorized representative, or both, shall be afforded the opportunity to present statements, arguments or contentions in writing, with or without the opportunity to present the same orally.

These items will be heard by the Nevada Gaming Commission at the November 19, 2015 meeting, and may be continued and heard at subsequent meetings of the Nevada Gaming Commission as required to effectuate the above stated purposes.

The proposed regulation language will be posted on the Nevada Gaming Control Board website "Regulation Activity" page at: <http://gaming.nv.gov/index.aspx?page=52>. Any questions should be directed to Anna Thornley at (775) 684-7718 or via email at athornley@gcb.nv.gov.