

## REGULATION 9

### CLOSING OF BUSINESS; DEATH OR DISABILITY; INSOLVENCY

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#### **9.010 Surrender of license on closing of business; closing due to natural disasters; closing due to emergency declarations.**

1. If a licensed gaming establishment is conveyed to a secured party who does not possess the licenses necessary to operate the establishment, and the licensee ceases gaming operations as a result, the licensee must immediately surrender the licensee's gaming license and, upon written notification from the Board Chair that the surrender is accepted, the license shall be deemed to have lapsed. The Commission may, upon its own initiative or upon a request by the former secured party of the establishment, petition a district court for the appointment of a supervisor pursuant to chapter 463B of NRS and chapter 17 of these regulations to ensure the continuation of the gaming operation upon lapse of the license.

2. Except as provided in subsection 1 and except for temporary closures allowed in subsections 4 and 5:

(a) A licensee who surrenders, abandons or quits their licensed gaming establishment shall:

(1) Notify the Board immediately of such action; and

(2) Within 10 days after surrendering, abandoning, or quitting the licensed gaming establishment, surrender the gaming establishment's license to the Board.

(b) A licensee who closes all of the gambling games located on the premises of their licensed gaming establishment shall:

(1) Notify the Board immediately of the closure of all of the gambling games; and

(2) If the period of closure exceeds 30 days, within 10 days after the expiration of the 30-day period, surrender the gaming establishment's gaming license to the Board, unless the Board Chair or the Chair's designee has authorized the closing the gambling games for a longer period pursuant to paragraph (c).

(c) The Board Chair or the Chair's designee may, upon written request, authorize closing for a period exceeding the 30-day period provided in paragraph (b); however, such extension will not permit closing for an entire calendar quarter.

(d) A licensee's failure to comply with the requirements of paragraph (a) or (b) shall constitute an unsuitable method of operation and be grounds for disciplinary action.

3. Subsection 2 shall not apply to any gaming establishment which is an adjunct operation of an existing licensee requiring a separate license and which is utilized for special events of less than 10 days duration for each event, provided that the following conditions are complied with:

(a) All annual license fees are timely paid.

(b) All quarterly fees for the quarter in which gaming operations are to be conducted are paid prior to commencement of gaming operations.

(c) Gaming operations are conducted for at least 3 days during the calendar year.

(d) Written notice of each special event setting forth the hours of operation and number of days gaming will be conducted and the number of games, tables and gaming devices that will be in operation is given to the nearest office of the Board at least 5 days prior to commencement of operation.

4. The Board Chair or the Chair's designee may authorize closure of any licensed gaming establishment that temporarily ceases the operation of all gambling games because of natural disaster, fire, voluntary remodel or construction project, or other physical destruction of the licensed gaming establishment. In such circumstances, the licensee shall notify the Board of the circumstances requiring closure of the gambling games pending the remodeling, construction, rebuilding or repair of the premises; the anticipated duration of the closure; and the intent of the licensee to commence operation as soon as the remodeling, construction, rebuilding or repairs have been completed. Upon receipt of such notice, the Board Chair or the Chair's designee, if satisfied that the premises are in fact unusable for continuing gaming, may authorize closure for such time as is necessary upon the following conditions:

(a) For a nonrestricted licensee who operated games, except slot machines only, payment at the normal time for license renewal for each quarter of authorized closure the quarterly state license fee applicable for the operation of one game as required by NRS 463.383, and if appropriate the annual license fee as required by NRS 463.380, as well as any other fee or tax required by chapters 463 or 464 of NRS.

(b) For a nonrestricted licensee who operated slot machines only, payment at the normal time for license renewal for each quarter of authorized closure the quarterly slot fees and any annual slot fees or taxes which may be due for the operation of one slot machine, as well as any other fee or tax required by chapter 463 of NRS.

(c) For restricted licensees, payment at the normal time for license renewal of the quarterly state license fee for the operation of one slot machine for each quarter during the authorized closure, as well as payment of the annual slot tax required by NRS 463.385, if appropriate.

5. In the event of a local or state emergency declaration requiring the closure of a licensed gaming establishment, the licensed gaming establishment may temporarily cease the operation of all gambling games until the emergency declaration no longer requires such closure and the Board Chair or the Chair's designee provides written notice that the temporary closure approval is terminated. During any such temporary closure, the conditions set forth in paragraphs (a) - (c) of subsection 4 shall apply. A licensed gaming establishment that has temporarily ceased the operation of all gambling games because of an emergency declaration shall reopen in accordance with the Board Chair's or the Chair's designee's written notice terminating the temporary closure approval, after which time, the provisions of subsection 2 shall apply.

6. A licensee authorized to temporarily close in accordance with subsections 4 or 5, is a continuing state gaming licensee subject to the provisions of the Nevada Gaming Control Act and regulations adopted thereunder, and shall also be subject to such conditions, by way of placement of a bond, reporting, or otherwise, as may be deemed necessary by the Board. Prior to resumption or partial resumption of gaming operations, licensees shall pay in advance any license fees and taxes due under chapters 463 or 464 of NRS.

(Amended: 9/72; 3/81; 3/91; 8/20; 7/24.)

#### **9.020 Death or disability of licensee.**

1. In the event of the death or judicially established disability of a licensee or a person who has an ownership interest in a licensed gaming business, one of the following individuals shall immediately notify the Board of the death or disability:

(a) The spouse, next of kin, heir, personal representative or guardian of the deceased or disabled person;

(b) The person in charge of the licensed gaming business; or

(c) An authorized representative of the legal entity to whom the gaming license of the licensed gaming business has been issued.

2. To participate in the operation of the licensed gaming business or receive proceeds therefrom, the spouse, next of kin, heir, personal representative, or guardian of the deceased or disabled person must:

(a) Hold a license authorizing such participation or receipt;

(b) Receive administrative approval from the Board Chair pursuant to subsection 1 of NRS 463.1725; or

(c) Obtain a temporary license as described in this section.

3. Unless extended by the Board Chair pursuant to subsection 4, an application for administrative approval or a temporary license described in subsection 2 must be filed within 90 days of:

(a) If no court order is required to transfer control or ownership of the deceased person's interest, the deceased person's death;

(b) The issuance of the court order transferring control or ownership of the deceased person's interest; or

(c) The issuance of the court order establishing the person's disability.

4. The Board Chair may, in the Chair's sole and absolute discretion, extend the time period in which the application described in subsection 3 must be filed. Any request for an extension must be submitted in writing to the Board Chair prior to the expiration of the 90-day time period described in subsection 3.

5. A person who has filed an application pursuant to subsection 3 may not participate in the operation of the licensed gaming business or receive proceeds therefrom, nor shall a licensee allow such participation or receipt of proceeds, until the administrative approval or temporary license is granted, or until the Board

Chair authorizes otherwise. Any such authorization by the Board Chair shall be at the Chair's sole and absolute discretion and subject to any limitation or condition the Chair deems appropriate and necessary.

6. Upon providing the Board with a copy of the trust or court order establishing authority to act on behalf of the deceased person's estate or the disabled person, a person who has filed an application pursuant to subsection 3 may file the necessary applications for the transfer of the deceased or disabled person's ownership interest.

7. In regard to an administrative approval described in this section, as provided in subsections 2 and 3 of NRS 463.1725:

(a) The Board Chair may condition or limit the administrative approval in any manner the Chair deems necessary and appropriate.

(b) The person to whom the administrative approval has been granted:

(1) Is subject to the same jurisdiction of the Board and Commission as that of a licensee or person found suitable by the Commission; and

(2) Shall comply with all applicable requirements of the Nevada Gaming Control Act and the regulations adopted thereunder and may be subjected to disciplinary action for noncompliance thereof.

8. In regard to a temporary license described in this section:

(a) The Board may, in its discretion, recommend to the Commission that the license be limited to such time period and subject to such conditions as the Board may deem necessary and appropriate.

(b) The person to whom the license has been issued may participate in the operation of the gaming business and receive proceeds therefrom.

(c) The license may not be assigned in whole or in part.

9. For purposes of this section, the term "licensed gaming business" means a business that maintains a:

(a) Nonrestricted license as defined in NRS 463.0177;

(b) Restricted license as defined in NRS 463.0189;

(c) Manufacturer's, seller's, or distributor's license as defined in NRS 463.0173; or

(d) License to operate interactive gaming, license to manufacture an interactive gaming system, or an interactive gaming service provider license as defined in NRS 463.750.

(Amended: 4/88; 2/25.)

#### **9.030 Insolvency of a licensee.**

1. In the event that a licensee files any petition with the bankruptcy court for relief as a debtor or has such a petition filed against it, or a receiver is appointed for such licensed business or an assignment of such business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, shall immediately notify the Board of such fact in writing. Such written notice shall have attached a copy of the petition filed with the court, and any relevant court orders such as orders appointing trustees, receivers, or assignees.

2. No licensed establishment shall be operated by any trustee, receiver or assignee for the benefit of creditors until such operation has been authorized by the Commission. In an emergency situation, any three members of the Commission may authorize the continuation of such operation pending action by the Board and the Commission.

3. Any such trustee, receiver, or assignee desiring to continue operation of the licensed establishment shall immediately make application for permission to do so. Application shall be made in the same manner as an application for an initial license; but the operation, if approved, shall be deemed to continue under the existing license of the establishment.

4. Permission for such trustee, receiver, or assignee to continue the operation of the licensed establishment may be summarily withdrawn at any time in the discretion of the Commission without the necessity of any hearing or proceedings for revocation or suspension.

(Amended: 11/82.)

## **End – Regulation 9**