## PROPOSED AMENDMENTS TO NEVADA GAMING COMMISSION REGULATION 5 CLUB VENUES

#### Revised Workshop Draft Dated: 12/04/2025

PURPOSE STATEMENT: To amend Nevada Gaming Commission ("NGC") Regulation 5.300(1) to clarify the applicability of sections 5.300 to 5.380 based on Nevada Revised Statutes ("NRS") 463.0144; To amend NGC Regulations 5.300(2) and (3) to correct cross reference formats; To amend NGC Regulation 5.300(3) to contain the standard waiver or modification language and to add flush language thereto to state the Chair may condition, limit, and repeal any waiver or modification granted pursuant to the subsection; To amend NGC Regulation 5.300(4) to add a reporting requirement for events falling under the subsection; To amend NGC Regulation 5.035(2) to include access to pool cabanas and other venue seating under the types of waived or complimentary items listed in the definition of "consideration"; To amend NGC Regulation 5.320(1) to (5) to correct cross reference formats; To amend NGC Regulation 5.320(2) to include "cashiers" as club venue employees; To amend NGC Regulations 5.335(1) and 5.345(1) to correct cross reference formats; To add NGC Regulation 5.350, which would require licensees to notify the Nevada Gaming Control Board ("Board") of the opening of new club venues, changes in the ownership of club venues, and the closure of club venues, and to authorize the Board Chair, or the Chair's designee, to waive or modify a timeline provided in the section; To amend NGC Regulation 5.360(3) to reduce the time licensees have to submit changes to a club venue's annual policies and the time the Board Chair has to notify licensees of any disapproval thereof from 60 days to 30 days; To amend NGC Regulations 5.370(5) and (7) to correct cross reference formats; And to take such additional actions as may be necessary and proper to effectuate this stated purpose.

**EFFECTIVE DATE:** Upon adoption by the Nevada Gaming Commission.

**EXPLANATION:** Matter in *blue italics* is new language; matter in *green italics underlined* is additional new language proposed in the 12/4/2025 draft; matter in <u>purple underlined</u> is existing language previously marked for omission that is being kept in the 12/4/2025 draft; matter between [red brackets with single strikethrough] is material to be omitted; and matter between [orange brackets, underlined, with a single strikethrough] is additional material to be omitted in the 12/4/2025 draft.

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### REGULATION 5 OPERATION OF GAMING ESTABLISHMENTS CLUB VENUES

#### 5.300 Applicability.

- 1. Sections 5.300 [through] to 5.380 [shall only], inclusive, apply to a club [venues] venue located on the premises of a nonrestricted licensee that:
  - (a) [Serve alcohol from at least one bar which is not portable;
  - (b) Have at least one designated area where patrons are permitted to dance; and
- (e) Charge an admission] Charges a fee or imposes a cover charge to gain admission to the venue;
  - (c) Prohibits patrons under the age of 21 from entering the venue;
  - (d) Serves alcohol from at least one permanent bar;
  - (e) Allows dancing in any area of the venue, including, without limit, a:
    - (1) Designated dance area;
    - (2) Swimming pool; or
    - (3) Pool deck; and
  - (f) Offers:
    - (1) Live music;
    - (2) Recorded music presented by a disc jockey; or
    - (3) An emcee.
- 2. The Chair may, in the Chair's sole and absolute discretion, designate additional club venues to which sections 5.300 [through] to 5.380, inclusive, shall apply.
- 3. The Chair may, in the Chair's sole and absolute discretion, <u>flimit the application of upon written request</u>, waive or modify one or more of the requirements set forth in sections 5.300 [through] to 5.380, inclusive, with regard to:
- (a) Club venues operating primarily as showrooms, theaters, concert venues, or interactive entertainment centers;
- (b) Club venues hosting short-term events conducted by a licensee or club venue operator in conjunction with a convention, corporate, or charitable event; or
- (c) Other club venues the Chair [finds] <u>determines</u> are not venues [which] <u>that</u> require regulation as a club venue.
- The Chair may condition or limit a waiver or modification granted pursuant to this subsection in any manner the Chair deems necessary and may revoke such waiver or modification for any reason the Chair deems appropriate.
- 4. Sections 5.300 through 5.380 shall not apply to venues which hold an event or events which would cause the venue to qualify as a club venue only during the event or events if the cumulative time period of such event or events does not exceed 4 days per year. If a venue holds an event or events which would cause the venue to qualify

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as a club venue only during the event or events and the cumulative time period of such event or events exceeds 4 days per year, the venue shall comply with sections 5.300 through 5.380 only while holding such event or events.

- (a) For the purposes of this subsection, "day" means one period of 24 consecutive hours commencing at a time and date chosen by a licensee or club venue operator.
  - (b) For the purposes of this subsection, "year" means July 1st through June 30th.
- (c) Licensee's must notify the Board in writing at least 15 days prior to holding any event to which this subsection applies.

#### **5.305 Definitions.** As used for sections 5.300 through 5.380:

- 1. "Chair" means the Chair of the Board or the Chair's designee.
- 2. "Consideration" specifically includes [but is not limited to], without limit:
- (a) A waived [entrance/admission] or complimentary admission fee, line pass, drink voucher, pool cabana, seating access, or any type of monetary compensation; and
- (b) A trade or credit that is only valid at the club venue where earned, whether or not the trade or credit is transferable.
  - 3. "Hosting or VIP services" means:
  - (a) Arranging access to a club venue; or
  - (b) Reserving tables at a club venue.
- → If the person providing such services has any in-person contact with the patrons of a club venue at the club venue or at the premises on which the club venue is located.
  - 4. "Independent host"
- (a) Means a person who is not directly employed by a licensee or club venue operator and who provides hosting or VIP services for a club venue for any form of consideration.
  - (b) Does not mean:
    - (1) Hotel concierges,
    - (2) Licensed ticket brokers, and employees of licensed ticket brokers, and
- (3) Persons who would otherwise be considered an independent host under this subsection who the Chair finds do not require regulation as independent hosts.

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#### 5.320 Registration of club venue employees.

- 1. When not in conflict with this section, the gaming employee provisions of NRS 463.335 [through] to 463.337, inclusive, and [Regulations] sections 5.100 [through] to 5.109, inclusive, shall apply to persons required to register in the same manner as gaming employees pursuant to this section.
- 2. The following individuals who are employed by a club venue, or who perform services for or at a club venue pursuant to contract, are club venue employees:

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- (a) Any individual who provides hosting or VIP services;
- (b) Cashiers;
- (c) Bartenders and bar backs;
- (d) Restroom attendants;
- (d) (e) Security and surveillance personnel;
- (c) (f) Servers, server assistants, and bussers; and
- [(f)] (g) Supervisors and managers who supervise any individuals required to register pursuant to this section.
- → These individuals shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in [Nevada Revised Statute] NRS 463.0129.
- 3. Independent hosts required to register pursuant to section 5.345 are not required to register in the same manner as gaming employees. Employees or contractors of an independent host which have in-person contact with club venue patrons shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in [Nevada Revised Statute] NRS 463.0129. A licensee or club venue operator shall not allow the employees and contractors of an independent host to represent the independent host in its club venue unless such employees or contractors are registered pursuant to this section.
- 4. Employees of a club venue operator or independent host who have access to the Board's system of records for the purpose of processing the registrations required by this section shall register in the same manner as gaming employees and shall be considered gaming employees because such registration is necessary to promote the public policy set forth in [Nevada Revised Statute] NRS 463.0129.
- 5. The licensee [which operates a] on whose premises the club venue is located, the club venue operator, or the independent host [shall be], as applicable, is responsible for compliance with the registered gaming employee requirements for [persons] any person employed or contracted to work at the club venue.

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#### 5.335 Medical staffing requirements.

- 1. As used in this section, the terms "emergency medical technician" and "advanced emergency medical technician" shall have the meanings ascribed by [NRS] chapter 450B of NRS.
- 2. A club venue operator or licensee which anticipates attendance of between 1,000 and 2,000 patrons within a club venue and waiting for entrance into the club venue shall have or contract to have at least one emergency medical technician onsite during club venue operation to perform initial emergency or non-emergency

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assessment and care and to make proper transport decisions. An emergency medical technician may concurrently perform security functions for the club venue.

- 3. A club venue operator or licensee which anticipates a total of 2,000 or more patrons to be present within the club venue and awaiting entrance into the club venue shall have or contract to have at least one advanced emergency medical technician ambulance on site during club venue operation to perform initial emergency or non-emergency assessment and care and to make proper transport decisions.
- 4. Security personnel employed or contracted to work at a club venue shall receive annual awareness training on how to best interact with and assist onsite or responding emergency medical service providers. Such training shall be reviewed and approved by an instructor who has a current endorsement as an instructor in emergency medical services from the State of Nevada, Department of Health and Human Services, Division of Public and Behavioral Health or from the Southern Nevada Health District. It will be the responsibility of the licensee and club venue operators to document the completion of said training for each employee on an annual basis.

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### 5.345 Registration and Determination of Suitability of Independent Hosts.

- 1. Independent hosts, must register with the Board and shall be subject to the provisions of this section and [Regulation] section 4.200 of these regulations.
- 2. An independent host shall not provide hosting or VIP services until the Chair notifies the independent host in writing that the Board has registered the independent host. A licensee or club venue operator shall not allow an independent host to provide hosting or VIP services in its club venue unless the independent host is registered with the Board. An independent host, once registered, may act on behalf of one or more licensees or club venue operators.
- 3. The Commission may require a person registered pursuant to this section to file an application for a finding of suitability at any time by sending notice to the person through the United States Postal Service to the person's address on file with the Board. A person called forward pursuant to this subsection shall apply for a finding of suitability as required by the Commission within 30 days of the person's receipt of notice. The notice shall be deemed to have been received by the person 5 days after such notice is deposited with the United States Postal Service with the postage thereon prepaid.
- 4. If a person registered pursuant to this section does not file an application for a finding of suitability within 30 days following receipt of notice that the Commission is requiring a person registered pursuant to this section to file an application for a finding of suitability, the Board shall notify all licensees which operate a club venue

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and club venue operators. A licensee or club venue operator shall not allow an independent host which has failed to file an application for finding of suitability pursuant to this section to provide services in a club venue. A licensee or club venue operator allowing such independent host to provide services in a club venue shall constitute grounds for disciplinary action.

- 5. If the Commission finds a registered independent host to be unsuitable, the registration of such registered independent host is thereupon cancelled. A licensee, club venue operator, or independent host shall, upon written notification of a finding of unsuitability, immediately terminate all relationship, direct or indirect, with such independent host. Failure to terminate such relationship may be deemed to be an unsuitable method of operation. No determination of suitability of an independent host shall preclude a later determination by the Commission of unsuitability.
- 6. Upon the Commission requiring a person who is required to be registered by this section to apply for a finding of suitability, the person does not have any right to the granting of the application. Any finding of suitability hereunder is a revocable privilege, and no holder acquires any vested right therein or thereunder. Judicial review is not available for decisions of the Board and Commission made or entered under the provisions of this section.

# 5.350 Notification of new club venue; notification of changes in ownership of club venue; notification of temporary or permanent closure of club venue; authority to waive or modify timeline.

- 1. A licensee shall notify the Board of the opening of a new club venue located on its premises at least 60 days prior to the opening.
- 2. A licensee shall notify the Board of the change of ownership or operator of a club venue located on its premises at least 60 days prior to the change of ownership or operator.
- 3. A licensee shall notify the Board of the permanent or temporary closure of a club venue located on its premises. If the permanent or temporary closure is planned, the licensee shall provide such notice at least 60 days prior to the closure of the club venue.
- 4. The Board Chair, in the Chair's sole and absolute discretion, may, upon the receipt of a written request, waive or modify a time period set forth in this section.

#### 5.360 Required policies and procedures.

- 1. Each Licensee with at least one club venue on its premises shall have written policies and procedures for club venues that seek to foster the public health, safety, morals, good order, and general welfare of the patrons.
- 2. In order to determine whether a licensee has established appropriate policies and procedures to monitor, control and regulate club venues, the Board and Commission may consider some or all of the following factors:

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- (a) What procedures are in place to demonstrate compliance with these regulations;
- (b) The extent of background investigations conducted by the licensee or club venue operator prior to hiring club venue security, employees, independent host, vendors and entertainers:
- (c) The extent to which the licensee or club venue operator provides every club venue employee, or independent host with a written policy detailing the standard of conduct for club venue operations, and the extent to which the licensee or club venue operator informs the club venue employees, and independent host of the club venue policy and receives their agreement to follow it;
- (d) The extent to which the licensee or club venue operator conducts regular meetings with club venue employees, independent host, on-site and relevant vendors, and entertainment talent and their staff to discuss club venue policies and daily operating, security and safety concerns;
- (e) The extent of the training and work experience of security management and staff responsible for enforcing the licensee's or club venue operator's club venue policy;
- (f) The extent to which a program is in place to conduct undercover "shop" operations at the club venue to determine if employees are engaging in, or otherwise permitting, illegal or inappropriate behavior, the type of background or training the individuals involved in the undercover "shop" program have, and records detailing the results of the undercover "shop" program;
- (g) The extent to which the licensee's or club venue operator's management is actively involved in the oversight of club venue policies and procedures including management's participation in initial and continued training of club venue security and employees and management's active participation in monitoring club venue activities:
- (h) The extent to which the licensee's or club venue operator's management interacts with law enforcement agencies and other licensees to develop and implement best practices regarding club venue operations and the extent to which management solicits the assistance of, and training by, law enforcement agencies or reputable private industry firms to reduce incidents of illegal or inappropriate behavior by employees, independent host, and patrons;
- (i) The extent to which the licensee or club venue operator engages in pro-active and cooperative support of law enforcement agencies in their efforts to help regulate, monitor and protect the licensee, the club venue operator, if applicable, and the club venue operations;
- (j) The extent to which the licensee conducts meetings with the club venue operator, as necessary, to discuss issues related to club venue operations;

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- (k) The extent to which club venue management, employees and security staff are trained to detect the use of false or misused identification. Such training should include similar detection techniques for foreign identifications and passports and other forms of identification not readily encountered in the U.S.;
- (l) The extent to which club venue management, employees and security staff receive training with regard to ensuring the safety of all employees and guests. Such training topics should include, but not be limited to, sexual assault, controlled substance use, gangs, and active shooter;
- (m) The extent to which the club venue will deter excessive consumption of alcohol by patrons, will require employees to notify club venue management of individuals showing significant signs of impairment due to alcohol or any other drug, and will regularly assess the need for medical response services, so that patrons exhibiting signs of excessive inebriation or drug impairment can be treated or transported to a medical facility, as determined by trained emergency medical personnel;
- (n) The extent to which club venues maintain procedures for confiscation and disposal of suspected illegal controlled substances or other suspected illegal contraband;
- (o) The criteria for trespassing patrons or referring patrons to law enforcement because of suspected illegal conduct;
- (p) The extent to which club venues maintain procedures for termination of employees and exclusion of independent hosts who are involved in illegal or inappropriate conduct and the extent to which the licensee or club venue operator maintains records detailing terminations and exclusions;
- (q) How the licensee or club venue operator will control its restrooms. Such policy shall address, but not be limited to, security and restroom attendants;
- (r) The extent to which the licensee or club venue operator maintains records showing the number of individuals trespassed from club venues or referred to law enforcement because of illegal or inappropriate behavior;
  - (s) The extent to which drug testing of club venue employees occurs; and
- (t) The extent to which any other policies or procedures implemented by the licensee or club venue operator exhibit commitment to promoting the public health, safety, morals, good order and general welfare of patrons and employees at club venues.
- 3. Each Licensee with at least one club venue on its premises shall submit such policies and procedures to the Chair for approval at least annually and shall submit material changes to such policies and procedures within [60] 30 days of such changes. If the Chair does not disapprove the submitted policies and procedures within [60] 30 working days of receipt of them, the policies and procedures will be deemed approved. From time to time, the Board or Commission may publish topics believed to impact the public health, safety, morals, good order and general welfare of patrons and

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employees of club venues and request that the club venue policies and procedures be updated to address such topics.

4. Whether licensees and club venue operators are operating in accordance with the policies and procedures approved by the Chair shall be considered by the Board in deciding whether or not to file any disciplinary action related to a club venue and by the Commission in determining whether discipline is appropriate.

#### 5.370 Access to club venue and production of records.

- 1. Upon request, a licensee or club venue operator shall produce to the Board all records regarding the operation of a club venue that the Board deems relevant to a Board investigation or inquiry.
- 2. Upon display of a badge issued by the Board and an identification card signed by a Board member, a licensee or club venue operator shall ensure all Board members and agents have immediate access to all areas of a club venue owned or operated by the licensee or club venue operator. In addition to areas accessible by the club venue's patrons, this shall include areas not accessible to the club venue's patrons including but not limited to offices, kitchens, storage rooms, record rooms, computer rooms, and surveillance rooms. Similar access shall be granted to any Commission member who displays an identification card signed by the governor.
- 3. A licensee with one or more club venues at its establishment, shall establish a revolving account with the Board in an amount determined by the Chair which shall not exceed \$20,000 which shall be used to pay the expenses of the Board and Commission conducting undercover observations and operations at club venues. In lieu of each licensee establishing such revolving account, a single revolving account may be established with the Board by affiliated licensees in an amount determined by the Chair which shall not exceed \$50,000. With a request from the Board that additional funds be transferred into a revolving account established pursuant to this subsection, the Board shall provide the total amount of expenditures from the account for each club venue covered by the account.
- 4. A licensee with a club venue at its establishment operated by a club venue operator shall be responsible for the club venue operator's compliance with this section.
- 5. All records, reports and information provided to the Board or Commission pursuant to this section, and any communications related thereto with the Board or the Commission, or any of their agents or employees, will be subject, in all cases, to the requirements set forth in NRS 463.120 and 463.3407, respectively. [[Effective 7/1/18.]]
- 6. A licensee with a club venue at its establishment operated by a club venue operator shall be responsible for the club venue operator's compliance with this section.

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7. All records, reports and information provided to the Board or Commission pursuant to this section, and any communications related thereto with the Board or the Commission, or any of their agents or employees, will be subject, in all cases, to *the requirements of* NRS 463.120 and 463.3407, *respectively*.

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