

**PROPOSED AMENDMENTS TO**  
**NEVADA GAMING COMMISSION REGULATIONS**  
**5, 20, 21, 22, 26A, 26B, AND 26C**

**NEVADA GAMING COMMISSION ADOPTED DRAFT**

**ADOPTED: 12/18/2025**

**EFFECTIVE: 01/01/2026**

**PURPOSE STATEMENT:** To amend Nevada Gaming Commission (“NGC”) Regulations 5, 20, 21, 22, 26A, 26B, and 26C (collectively “Subject Regulations”) based on the amendments to the Nevada Gaming Control Act set forth in Senate Bill 203 and Assembly Bill 58 from the 83<sup>rd</sup> (2025) session of the Nevada State Legislature, specifically, the elimination of licensed disseminators, the elimination of registered cash access and wagering instrument service providers, the elimination of global risk management, and the replacement of licensed pari-mutuel system operators with registered pari-mutuel system service providers; To amend the Subject Regulations to add, modify, or repeal certain definitions relevant to the Subject Regulations; To amend the Subject Regulations to provide or modify registration, compliance, approval, and reporting requirements relating to pari-mutuel system service providers and licensed race books, licensed pari-mutuel race books, licensed sports pools, and licensed pari-mutuel sports pools (collectively “Users”); To amend the Subject Regulations to provide or modify Nevada Gaming Control Board oversight over pari-mutuel system service providers and Users; To amend the Subject Regulations to provide for certain unsuitable methods of operation by pari-mutuel system service providers and Users; To amend the Subject Regulations to standardize certain terminology and cross reference formats; To amend NGC Regulation 5.225 to remove references to registered cash access and wagering instrument service providers; To amend NGC Regulation 5.240 to remove cash access and wagering instrument service provider and add pari-mutuel system service provider; To repeal NGC Regulation 20 based on the repeal of the statutory provisions relating to disseminators; To amend NGC Regulation 22.080 to remove outdated alternative provisions; To amend NGC Regulation 22.145 to remove the requirement that a betting ticket must have been issued; To amend NGC Regulation 22.195 to remove the requirements for buyers; To repeal NGC Regulation 22.220 based on the repeal of the statutory provisions relating to global risk management; To amend NGC Regulation 26A.010 to clarify the scope of NGC Regulation 26A; To amend NGC Regulation 26A.040 to remove the prohibition against a pari-mutuel book using information received from an off-track pari-mutuel system to determine winners and

payoffs on nonpari-mutuel race wagers; To amend NGC Regulation 26A.080 to modify the requirements relating to live broadcasts; To amend NGC Regulation 26A.120 to adjust certain technical requirements for off-track pari-mutuel race systems; To amend NGC Regulation 26A.140 to include reception of certain signals and to adjust the submission requirements relating to the executed agreement between a track and a pari-mutuel race book; To amend NGC Regulation 26B.010 to clarify the scope of NGC Regulation 26B; To repeal NGC Regulation 26B.210 as it is no longer needed; To amend NGC Regulation 26C.005 to clarify the scope of NGC Regulation 26C; To amend NGC Regulation 26C.070 to mirror the provision found in NGC Regulation 22.060; To amend NGC Regulation 26C.110 to mirror the provision found in NGC Regulation 22.115; And to take such additional actions as may be necessary and proper to effectuate this stated purpose.

**EXPLANATION:** Matter in *blue italics* is new language to be added; matter between ~~[red brackets with single strikethrough]~~ is material to be omitted.

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## REGULATION 5 OPERATION OF GAMING ESTABLISHMENTS

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### 5.225 Wagering accounts.

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4. A third party may operate and maintain wagering accounts on behalf of a licensee if the following conditions are met:

(a) A licensee may use a ~~[registered cash access and wagering instrument service provider or a]~~ manufacturer licensed by the Commission pursuant to NRS 463.650 to operate and maintain wagering accounts on behalf of the licensee.

(b) A ~~[registered 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 registered cash access and wagering instrument service provider or]~~ a licensed manufacturer to operate and maintain wagering accounts on its behalf.

(d) A ~~[registered 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.

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#### **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 as set forth in ~~the~~ NRS 463.0129.

2. Definitions.

(a) “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

(b) “Cloud computing services”:

(1) Consist of the following as defined by the National Institute of Standards and Technology in NIST SP 800-145 and as further explained in NIST SP 500-292:

- (I) Software as a Service;
- (II) Platform as a Service; or
- (III) Infrastructure as a Service.

(2) The services described in subparagraph (1) do not include the performance of any service, action, transaction, or operation that would otherwise require a gaming license or registration pursuant to Chapter 463 of NRS or these regulations, other than a registration as a cloud computing service provider.

(c) “Cloud computing service provider”:

(1) Means a person who, on behalf of a licensee, provides cloud computing services by acquiring and maintaining the computing infrastructure and software necessary to provide cloud computing services for associated equipment, cashless wagering systems, games, gaming devices, race book operations, or sports pool operations, in whole or in part, and otherwise in accordance with paragraph (4) of section 5.225 and section 5.242 of these regulations.

(2) The services described in subparagraph (1) do not include the performance of any service, action, transaction, or operation that would otherwise require a gaming license or other registration pursuant to Chapter 463 of NRS or these regulations.

(d) “Information technology service provider” means a person who, on behalf of a licensee, provides management, support, security, or disaster recovery services for games, gaming devices, or associated equipment.

(e) *“Pari-mutuel system service provider” means an “operator of a system” as that term is defined in subsection 7 of NRS 464.005.*

(f) “Service provider” means a person who *is*:

(1) ~~Is a cash access and wagering instrument service provider as defined in NRS 463.01395;~~

~~[(2) Is an]~~ An information technology service provider; ~~[or]~~

~~[(3) Is a]~~ (2) A cloud computing service provider; or

(3) A pari-mutuel system service provider.

↪ A person who was licensed as a pari-mutuel system operator on May 31, 2025, shall be deemed registered as a pari-mutuel system service provider as of that date. Such registration shall expire five years following the date the Commission issued the pari-mutuel system operator license or June 30, 2026, whichever is later.

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## REGULATION 20 DISSEMINATORS

~~**20.005 General.** The Chair may waive one or more of the requirements of this regulation if the Chair determines the waiver is consistent with the state policy set forth in NRS 463.0129.~~

~~**20.010 Definitions.** As used in this regulation:~~

1. ~~“Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.~~

2. ~~“Buyer” means a person who receives horse or other animal racing information within the State of Nevada from a disseminator by means other than a live broadcast, and who uses the information to determine winners of or payoffs on wagers accepted at a race book operated by the buyer. The term is not applicable to a person who receives services related to pari-mutuel wagering activity applicable to Regulation 26A.~~

3. ~~“Live broadcast” means “live broadcast” as that term is defined in NRS 463.4212.~~

4. ~~“User” of a live broadcast means “user” as that term is defined in NRS 463.4218.~~

~~**20.020 License required; finding of suitability for a person providing transmission services; applications.**~~

1. ~~Applications for disseminator licenses submitted pursuant to NRS 463.430, or applications for a finding of suitability submitted pursuant to NRS 463.168 by a person providing transmission services in association with a disseminator, must be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the Chair may require or approve.~~

~~2. Except as provided in subsection 3, no person who owns, controls, or has any interest of any kind in a company or other enterprise that must hold a disseminator license, nor any person who applies for or holds a disseminator license, nor any employee or agent of any such persons, may hold a gaming license.~~

~~3. The Commission may grant a disseminator license to a person who holds a license to operate and who operates a race book or sports pool. A disseminator license issued to such a person authorizes the person:~~

~~(a) To disseminate only live broadcasts;~~

~~(b) To contract with not more than one track or association of tracks at a time for the purpose of disseminating live broadcasts; and~~

~~(c) To disseminate live broadcasts from not more than one track at a time.~~

~~**20.025 Information regarding post time.** The disseminator who provides live broadcasts shall, for a reasonable fixed fee, or if otherwise required by any contractual agreement by and between the disseminator and buyer, provide the post times of such races to buyers as soon as the disseminator makes that information available to users.~~

~~**20.030 Rates and billings; user reports.**~~

~~1. For live broadcasts of racing meets that were distributed within Nevada during the previous year, disseminators shall charge users a percentage of the amounts wagered at each user's establishment on the live broadcast races, which must not exceed the lesser of the effective percentage rate of the previous year's racing meet as increased by one half of 1 percent, or:~~

~~(a) Three percent if the previous year's average daily handle generated by such races at all users' establishments did not exceed \$150,000;~~

~~(b) Two and three-fourths percent if the previous year's average daily handle generated by such races at all users' establishments was greater than \$150,000 but did not exceed \$250,000;~~

~~(c) Two and one-half percent if the previous year's average daily handle was greater than \$250,000 but did not exceed \$350,000;~~

~~(d) Two and one-fourth percent if the previous year's average daily handle generated by such races at all users' establishments was greater than \$350,000 but did not exceed \$450,000;~~

~~(e) Two percent if the previous year's average daily handle generated by such races at all users' establishments was greater than \$450,000.~~

~~2. For live broadcasts of racing meets that were not distributed in Nevada during the previous year, or that were distributed but which are substantially different from the previous year's meet, disseminators shall charge users a percentage of the~~

~~amounts wagered in the users' establishment on live broadcast races, which must not exceed three percent.~~

~~(a) A racing meet may be considered to be substantially different from the previous year's racing meet if:~~

~~(1) The racing meet was broadcast during a substantially different time of the year the previous year;~~

~~(2) The racing meet was broadcast during a substantially different time of the day the previous year;~~

~~(3) The racing meet was modified to include new tracks;~~

~~(4) The racing meet was modified to exclude tracks from which racing was previously broadcast; or~~

~~(5) There has been a substantial increase or decrease in the number of racing days.~~

~~(b) If the average daily handle generated by new or substantially different races at all users' establishments is determined at the conclusion of the racing meet to exceed \$150,000, the disseminator shall, not later than 60 days after the conclusion of the racing meet, determine the applicable percentage rate for that meet using the standards of subsection 1 and shall rebate to each user on a pro rata basis determined from each user's handle, the amount of fees collected in excess of the amount that could have been charged pursuant to subsection 1 if the racing meet had been distributed the previous year or if it was not substantially different from the previous year's meet.~~

~~3. The Commission Chair may, in the Commission Chair's sole and absolute discretion, permit a disseminator to charge users a percentage rate greater than that permitted by subsections 1 and 2 of this section, if the disseminator proposing to distribute the live broadcast and the users, who during the previous year generated at least sixty-six and two-thirds percent of the average total daily handle for a particular racing meet, file a petition with the Commission requesting that the rate be modified for that particular racing meet. The petition must state the rate the users agree to pay the disseminator and must be signed by the chief executive officer, or the chief executive officer's designee, of each user supporting the petition. The petition must be filed prior to submitting a proposal pursuant to Regulation 21 for the exclusive right to disseminate a live broadcast for that racing meet. The petition must include an affidavit of mailing that sets forth the date of mailing and that certifies that a copy of the petition has been sent to all users and other disseminators. All users that have not signed the petition and other disseminators shall have 10 calendar days from the date set forth in the affidavit of mailing or by such date as specified by the Chair in which to file with the Commission any comments or opposition to the petition. The Commission Chair shall consider the interests of the users, the disseminators, and the state in determining whether the Commission~~

~~Chair will approve a rate greater than that permitted by subsection 1 or 2 of this section. If the Commission Chair does not allow a different rate, the disseminator and users who have filed the petition may appeal that decision to the full Commission. The appeal must be filed with the Commission within 7 calendar days of the Chair's decision or by such date as specified by the Chair. The appeal must include an affidavit of mailing that sets forth the date of mailing and that certifies that a copy of the appeal has been sent to all users and other disseminators. All users that did not sign the petition and other disseminators shall have 7 calendar days from the date set forth in the affidavit of mailing or by such date as specified by the Chair in which to file with the Commission any comments or opposition to the petition. The decision of the Commission is final.~~

~~4. For services other than live broadcasts, disseminator shall charge buyers a fixed fee determined in advance.~~

~~5. A disseminator shall not offer or provide a service to a buyer or user at a fee or a percentage rate different from that charged to every other buyer or user for the same service.~~

~~6. Each disseminator shall regularly provide each of its buyers with a written statement of charges, separately identifying the services provided and the amount charged for each service.~~

~~7. Each buyer and user shall file monthly with the Board a written report, itemized by track, of the amounts wagered at the buyer's or user's establishment of races and events for which a disseminator supplies the buyer or user with horse or other racing information used to determine winners of or payoffs on the wagers. These reports must separately disclose the amounts wagered and the resultant gross revenue on live broadcast races, pari-mutuel races and non-live broadcast/non-pari-mutuel races. Buyers and users shall file each report with the Board and users shall furnish a copy of each report to the disseminator not later than the 15th day of the month after the month covered by the report. If the Board at any time discovers discrepancies between amounts wagered at a buyer's or user's establishment and amounts charged or paid for disseminator services, the Board may so inform the buyer or user and disseminator. Each buyer and user shall permit its disseminator to examine such records of the buyer or user as are necessary to verify the accuracy of the buyer's or user's monthly reports. It shall be an unsuitable method of operation for any disseminator, except with the prior written approval of the Chair, to disclose to any person the contents of any report received or record examined pursuant to this subsection.~~

#### ~~20.040 Rate changes.~~

~~1. Disseminators shall notify the Board and each affected buyer of any rate increase at least 30 days before the effective date of the increase, stating in detail the~~

~~reasons for the increase. A buyer affected by a rate increase may, within 30 days after receiving notice of the increase, file written objections with and request a hearing before the Commission. The filing of an objection does not operate to stay the effectiveness of the rate increase, but the Chair may grant a stay on such terms and conditions as the Chair deems appropriate. The Commission may grant or deny the request for hearing at its sole and absolute discretion.~~

~~2. If the Commission grants a buyer's request for a hearing pursuant to subsection 1, the Commission shall give all buyers and disseminators written notice of the hearing at least 20 days in advance of the hearing. The notice must specify the time and place of the hearing and fairly summarize its purposes.~~

~~3. At the hearing, all interested parties may be heard and may present evidence in support of or in opposition to the rate increase.~~

~~4. At the conclusion of the hearing, the Commission may set or adjust the rates to be charged, determine the nature and extent of the services to be provided, order a refund, or take such other action as the Commission considers appropriate. The Commission shall make its determinations based upon the evidence and testimony presented at the hearing. The determinations of the Commission must be in writing and must specify the applicable rates and the effective dates of such rates or the amount of any refund.~~

~~5. The determination of the Commission is final, binding, and conclusive upon the disseminator and all affected buyers.~~

~~6. This section does not apply to a rate increase for a live broadcast.~~

#### **~~20.050 Disseminator reports. [Repealed: 1/27/11.]~~**

#### **~~20.060 Records.~~**

~~1. Each disseminator shall maintain the following records with respect to each race or event regarding which the disseminator distributes information to a buyer or user:~~

~~(a) The scheduled post time as supplied by the disseminator;~~

~~(b) The actual post time as defined in Regulation 22;~~

~~(c) The name, number, and official finishing position, as supplied by the track, of each entrant finishing in a position for which a payoff is made or offered;~~

~~(d) The official payoff results; and~~

~~(e) Such other information as the Chair may require.~~

~~2. Each disseminator shall comply with the recording and reporting requirements specified in Regulation 21.090.~~

~~3. Each disseminator shall create and maintain a report indicating the name and address of each buyer, the date each buyer subscribed and canceled its subscription, if applicable, and the amounts charged each buyer for each service provided by the~~

~~disseminator during the previous calendar quarter. This report must be created no later than 15 days after the end of the calendar quarter.~~

~~4. Each disseminator shall create and maintain detailed schedules which depict the revenues, expenses, and results of operations for each live broadcast racing meet.~~

~~5. Upon request, each disseminator, buyer, and user shall provide a written consent to the Board or Commission to examine and copy any and all records of any telephone, telegraph, or similar communications company or utility that may pertain to the operation of the disseminator, buyer, or user.~~

~~6. Disseminators, buyers, and users shall create and maintain the records required by this regulation in such manner and using such forms as the Chair may require or approve. The Chair may require disseminators, buyers, and users to create and maintain such other records and reports as are necessary or convenient for strict regulation of disseminators, buyers, and users. Disseminators, buyers, and users 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 disseminator, buyer, or user.~~

#### **~~20.070 Reviewed financial statements.~~**

~~1. Each disseminator shall prepare financial statements covering all financial activities of the disseminator's establishment for each business year. The financial statements must be submitted to the Board not later than 120 days after the last day of the disseminator's business year. In the event of a change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 120 days after the event, submit to the Board one copy of reviewed financial statements covering the period since the period covered by the previous statement. If a change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of the business year for which a statement has not been submitted, the licensee may submit statements covering both the business year and the final period of business. In the event of a license termination, the Chair may require the disseminator to submit to the Board one copy of reviewed financial statements covering the period since the period covered by the previous financial statement. In the event a new license is granted within 120 days prior to the end of the business year, the licensee may submit financial statements for this period in conjunction with the financial statements for the first full business year, not later than 120 days after the end of the first full business year.~~

~~2. Each disseminator shall engage an independent accountant who shall review the financial statements in accordance with the statements on standards for accounting and review services, or, if the Chair requires or the disseminator engages~~

~~him or her to do so, the independent accountant shall audit the statements in accordance with generally accepted auditing standards.~~

~~3. Unless the Chair approves otherwise in writing, the statements must be presented on a comparative basis. Consolidated financial statements may be filed by commonly owned or operated establishments, but the statements must distinguish the activities of each establishment from those of the other establishments.~~

~~4. If a disseminator changes its business year, the disseminator shall prepare financial statements covering the period from the end of the previous business year to the beginning of the new business year (the “stub” period). The disseminator shall submit the statements to the Board not later than 120 days after the end of the stub period or incorporate the financial results of the stub period in the statements for the new business year.~~

~~5. Correspondence written in conjunction with the independent accountant’s review or examination of the disseminator’s financial statements must be submitted within 120 days following the end of the disseminator’s business year.~~

~~6. All other correspondence from the independent accountant regarding internal control matters must be submitted to the Board within 30 days after the disseminator receives it.~~

~~7. The Chair may request additional information or documents from either the disseminator or the disseminator’s independent accountant, through the disseminator, regarding the financial statements or the services performed by the accountant.]~~

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## REGULATION 21 LIVE BROADCASTS

**21.005 [General] *Waivers or modifications.*** The Chair may waive *or modify* one or more of the requirements of this regulation if the Chair determines ~~[the], in the Chair’s sole and absolute discretion, that such~~ *waiver or modification* is consistent with the state policy set forth in NRS 463.0129. *The Chair may condition or limit a waiver or modification granted pursuant to this section in any manner the Chair deems reasonable.*

**21.010 Definitions.** As used in this regulation:

1. “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.
2. ~~["Disseminator" means "disseminator" as that term is defined in NRS 463.0147]~~

~~[3.]~~ “Live broadcast” ~~[means “live broadcast” as that term is defined]~~ has the meaning ascribed to it in ~~[NRS 463.4212]~~ paragraph (a) of subsection 2 of NRS 463.426.

~~[4.]~~ 3. “Race book” has the meaning ascribed to it in NRS 463.01855.

4. “Racing meet” means a series of scheduled races held at a track for a specified time period.

5. “Track” has the meaning ascribed to it in paragraph (b) of subsection 2 of NRS 463.426. For the purposes of this regulation, the term includes an authorized agent or representative of a track.

6. “User” ~~[of a live broadcast means “user” as that term is defined in NRS 463.4218]~~ has the meaning ascribed to it in paragraph (c) of subsection 2 of NRS 463.426.

**21.020 Standards for Board authorization.** Pursuant to section ~~[21.046]~~ 21.045, the Board or Chair shall not authorize a ~~[disseminator]~~ user to enter into an agreement with a track ~~[to disseminate]~~ for the use of a live broadcast ~~[to users]~~ unless it is established to the Board’s or Chair’s satisfaction that:

1. ~~[The investigative and supervisory time and effort required to maintain effective control over the live broadcast is justified;~~

~~2.]~~ There exists a comprehensive, effective, government regulatory system governing the track in the jurisdiction where the track is located;

~~[3.]~~ 2. Information pertaining to the live broadcast operations at the track will be readily accessible to the Board at all times;

~~[4.]~~ 3. Proper and adequate administrative and production controls exist at the track to ensure that the interests of the State of Nevada are not unduly jeopardized; and

~~[5.]~~ 4. The track and the proposed live broadcast meet such other standards and requirements as these regulations or the Chair may impose.

**21.030 Prohibited activities.**

1. ~~[Disseminators shall not distribute audio-only transmissions of more than one race at a time to a race book.~~

~~2.]~~ Disseminators may distribute the audio portion of live broadcast without the video portion; however, a] A user shall not use an audio-only transmission to determine the winners of, or payoffs on, ~~[nonparimutuel]~~ nonpari-mutuel race wagers.

~~[3.]~~ 2. No ~~[disseminators may]~~ track shall grant or purport to grant to any user, nor shall a user acquire or purport to acquire, an exclusive right to ~~[the]~~ use ~~[of any]~~ a live broadcast or any part thereof, and any contractual provision that grants or purports to grant such exclusive right is void.

~~**[21.031 Intent to submit a live broadcast proposal.]**~~

~~1. A disseminator intending to submit a live broadcast proposal for the exclusive right to disseminate a live broadcast of a racing meet to users must submit written notification of this intent to the Chair no later than 100 days prior to the start of the proposed racing meet.~~

~~2. If only one disseminator submits written intent notification, pursuant to subsection 1, the Chair will provide notice directing the disseminator to submit a live broadcast proposal to the Chair that meets the submission requirements set forth in section 21.032. The proposal must be submitted no later than 7 days prior to the start of the proposed racing meet, unless the meet was not distributed in Nevada during the previous year, in which case the proposal must be submitted no later than 30 days prior to the start of the racing meet.~~

~~3. If more than one disseminator submits written intent notification, pursuant to subsection 1, the person holding the live broadcast track rights (“rightsholder”) shall determine which of the disseminators will be given the exclusive right to disseminate the racing meet to users. The disseminator given this right must notify the Chair of this determination no later than 45 days prior to the start of the proposed racing meet. The disseminator must also submit a live broadcast proposal to the Chair that meets the submission requirements set forth in section 21.032, following the same filing deadlines specified in subsection 2. If the rightsholder does not select a disseminator at least 45 days prior to the start of the meet, each disseminator who submitted written intent notification must submit to the Chair, no later than 30 days prior to the start of the proposed racing meet, a live broadcast proposal that meets the submission requirements set forth in section 21.032. A hearing panel may then be assembled, in accordance with section 21.034, to make a recommendation to the Board, as to which disseminator should be granted the right. The Chair will provide timely notices to the disseminator and users throughout this process as the Chair deems necessary.~~

~~4. A disseminator must notify the Chair in writing, no later than 7 days prior to the start of the proposed racing meet, to modify or withdraw the intent notification the disseminator made pursuant to this section.]~~

~~**[21.032 Live broadcast proposals.]**~~

~~[1. Live broadcast proposal submissions for the exclusive right to disseminate a live broadcast of a racing meet to users must be made in a manner and using such forms as the Chair may prescribe. The Chair may require each proposal to be distributed to the users. Each proposal must include, in addition to such other information as this regulation may require:]~~

~~(a) Evidence satisfactory to the Chair that the live broadcast would not be contrary to the laws and regulations of the jurisdictions where the track at which the live broadcast races are to be run is located;~~

~~(b) A description of the entire racing program, including a schedule of race days, types of wagering and number of races to be offered, and program times;~~

~~(c) If requested by the Chair, a precise, detailed diagram showing the path of the live broadcast signal from track to race book;~~

~~(d) Identification of the satellite proposed to be used;~~

~~(e) If requested by the Chair, a written description of all track and disseminator procedures relating to the live broadcast;~~

~~(f) The proposed agreement between the disseminator and users;~~

~~(g) On a live broadcast proposal form to be provided by the Chair, information pertaining to the racing meet under consideration, including but not limited to the percentage rate to be charged users and, if available, the past, present or proposed handle;~~

~~(h) A copy of an executed letter of intent between the disseminator and the live broadcast rightsholder indicating that the disseminator will be granted the exclusive right to transmit the live broadcast. If the executed letter of intent is provided by a rightsholder other than the track, then a copy of an executed contract or letter of intent between the track and the rightsholder must also be provided;~~

~~(i) A copy of the proposed agreement between the disseminator and the live broadcast rightsholder, and a statement from the disseminator that the live broadcast will not be disseminated to users before an executed agreement has been finalized;~~

~~(j) Identification of the proposed transmission vendors contracted to provide encoding, uplinking, decoding, and transponder services for the racing meet;~~

~~(k) A statement that the live broadcast will comply with all the production requirements set forth in section 21.060. If a production requirement cannot be met, a waiver request must be submitted detailing the reason the requirement cannot be met; and~~

~~(l) Any additional documentation or information the Chair may request.~~

~~2. When only one disseminator has submitted a live broadcast proposal, the disseminator must notify the Chair in writing no later than 3 days before the start of the racing meet to modify the proposal submission the disseminator made pursuant to subsection 1.]~~

#### **[21.034 Hearing panel.**

~~1. If a hearing is determined to be necessary, the Board shall appoint a hearing panel, in accordance with section 21.035 and NRS 463.423, and shall notify each disseminator and user indicating that a hearing panel meeting will be conducted. The~~

~~hearing panel will determine, using the approval standards set forth in section 21.045, which disseminator will be recommended to the Board for approval to be granted the exclusive right to disseminate a live broadcast racing meet to users, and will be conducted pursuant to NRS 463.424.~~

~~2. The hearing notice may include:~~

~~(a) A time certain within which each proposal for the exclusive right to disseminate a live broadcast must be submitted;~~

~~(b) Instructions regarding the manner in which each proposal should be prepared for submittal; and~~

~~(c) Any other information deemed necessary by the Chair.~~

### **~~21.035 Hearing panel members: qualifications and eligibility.~~**

~~1. Each member of the panel shall be a citizen of the United States, and a resident of the State of Nevada.~~

~~2. A member of the hearing panel may not:~~

~~(a) Represent a disseminator, race book, or nonrestricted gaming establishment approved for a race book, or an affiliate of these entities, in a professional capacity; or~~

~~(b) Hold a disseminator or nonrestricted gaming license; or~~

~~(c) Be an employee of a disseminator, a nonrestricted gaming licensee, or any affiliate thereof; or~~

~~(d) Have a direct pecuniary interest in a disseminator, a nonrestricted gaming licensee, or any affiliate thereof.~~

~~3. It is the intention of the Commission that the panel be composed of the most qualified persons available.~~

~~(a) One member of the panel must be a certified public accountant licensed by this state or another state of the United States or a public accountant qualified to practice public accounting under the provisions of chapter 628 of NRS, have 5 years of progressively responsible experience in general accounting, and have a comprehensive knowledge of the principles and practices of corporate finance; or such person must possess the qualifications of an expert in the fields of corporate finance, auditing, general finance, gaming or economics.~~

~~(b) One member of the panel must either be a lawyer licensed in the State of Nevada and whose practice generally involves business law or administrative law or be an individual, who although not a lawyer, has experience in administrative hearings or administrative law.~~

~~(c) One member of the panel must be an individual with 5 years of progressively responsible experience in business or government and with comprehensive knowledge of the principles and practices in the field of regulated industries.~~

~~4. Each nonrestricted licensee and each disseminator may submit the names of individuals~~

~~who in their opinion meet the qualifications for appointment to the panel. Each submission must be in writing and must include a résumé of the proposed panel member. The Board or its designee shall consider the qualifications of each proposed panel member but retains its sole and absolute discretion to determine who shall be appointed to the panel.]~~

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~~**[21.045 Standards for approval of a live broadcast proposal.** A proposal shall not be approved pursuant to section 21.046 unless:~~

- ~~1. It contains all of the information required by section 21.032;~~
- ~~2. The proposed rate to be charged to users does not exceed the rate permitted by subsections 1 or 2 of section 20.030 or the rate approved pursuant to subsection 3 of section 20.030;~~
- ~~3. The terms and conditions of the proposed user agreement are reasonable; and~~
- ~~4. It provides the live broadcast to users at a cost that is lower than that proposed by any other disseminator. If two or more proposals provide for the same lowest cost, the hearing panel shall choose its recommendation for the exclusive right to disseminate the live broadcast by lot.]~~

~~**[21.046 Approval of live broadcast proposals.**~~

~~1. If only one live broadcast proposal is submitted to the Chair in accordance with section 21.031(2) or more than one live broadcast proposal is submitted and the person holding the live broadcast track rights determines which disseminator will be given the exclusive right to disseminate the racing meet to users in accordance with section 21.031(3), the Chair shall approve the sole disseminator's live broadcast proposal or the live broadcast proposal of the disseminator selected by the person holding the live broadcast track rights if the approval standards set out in section 21.045 are satisfied by the live broadcast proposal. Upon approval of the live broadcast proposal, the Chair shall notify the disseminator and each user of the Chair's approval.~~

~~2. If more than one live broadcast proposal is submitted and the person holding the live broadcast track rights does not determine which disseminator will be given the exclusive right to disseminate the racing meet to users at least 45 days prior to the start of the proposed racing meet, the Board may determine that a hearing is not necessary for the selection of a disseminator and the Board shall choose a disseminator using the approval standards set forth in 21.045. Upon the selection of a disseminator, the Board shall notify each disseminator and user of the Board's selection.~~

~~3. If the Board assembled a hearing panel, pursuant to section 21.034, to recommend to the Board which disseminator should be granted the exclusive right to~~

~~disseminate a live broadcast racing meet to users, the Board shall consider the hearing panel's recommendation in accordance with NRS 463.424 and shall select a disseminator, using the approval standards set forth in section 21.045, to receive this exclusive approval. The Board shall notify each disseminator and user of the Board's selection.]~~

~~**[21.047—Withdrawal of authorization and action following withdrawal.**~~

~~1. The Board may order the withdrawal of the authorization of any proposed live broadcast without notice or hearing whenever the Board has reason to believe the disseminator has violated any regulation of the Commission, or for any cause the Board deems reasonable. Each disseminator shall be considered to have consented to such authority of the Board as a condition of the approval of the live broadcast. The decision of the Board is final and is not subject to Commission review.~~

~~2. Without limiting the discretion of the Board, the following may be grounds for withdrawal of authorization:~~

~~(a) If, prior to the live broadcast of the first race of the racing meet, the disseminator fails to broadcast and demonstrate for the Chair a video signal meeting the requirements of this regulation and using the equipment and following the procedures described in the proposal.~~

~~(b) If, the Chair determines, the terms of any agreement submitted with the disseminator's proposal are altered to the economic detriment of a user.~~

~~(c) If the Chair has not received an executed rights contract, pursuant to subsection 1 of section 21.050.~~

~~(d) If the Chair determines the authorized disseminator will be unable to execute a contract for these rights.~~

~~(e) If the Chair determines, following execution of the [contract] *agreement* for the live broadcast rights, that the authorized disseminator is economically unable to provide the live broadcast.~~

~~3. The following action may be taken following withdrawal of authorization:~~

~~(a) If more than one disseminator submitted proposals for a live broadcast and the Board acts to withdraw its authorization, the Board may then authorize any other disseminator who submitted a proposal to disseminate the live broadcast.~~

~~(b) If only one disseminator submitted a proposal for a live broadcast and the Board acts to withdraw its authorization, the Board may then authorize any other disseminator who is willing to adopt the withdrawn disseminator's proposal and provide the racing meet on those terms to disseminate the live broadcast.~~

~~4. Except for any agreement between a disseminator and user, any agreement executed by a disseminator relative to a live broadcast must be deemed to include a provision for its termination upon the Board's withdrawal of authorization. Such~~

~~termination is without prejudice to the track or organization of tracks to enter into an agreement with another disseminator upon the same terms.]~~

**21.050 Documents and information to be maintained or submitted** ~~[following Board authorization]~~ *by a user*. ~~[Except as may be provided by the Chair, once authorized to disseminate a live broadcast, the disseminator]~~ *A user* must:

1. Submit to the Chair a copy of ~~[any rights contract the disseminator executes with the track or racing association]~~ *the executed agreement providing the live broadcast rights* before the live broadcast begins.
2. Maintain copies of the executed agreement ~~[with each user]~~ *referred to in subsection 1.*
3. Submit ~~[a report listing the inclusive dates of the meet, number of race days, number of users who contracted for the live broadcast, the effective percentage rate charged to the books and]~~ any other information that the Chair may require ~~[to be filed, using such forms as the Chair may prescribe within 60 days following the completion of the racing meet].~~

....

**21.055 Unsuitable methods of operation.** It is an unsuitable method of operation:

1. ~~[For a disseminator to submit a proposal to disseminate a live broadcast which includes misrepresentations or omissions.~~
- ~~2.]~~ For ~~[either disseminators or users]~~ *a user* to misrepresent any facts ~~[during a hearing before the hearing panel or]~~ *to the* Board.
- ~~[3.]~~ 2. For a ~~[disseminator to delay the transmission or a]~~ user to *cause a* delay of the public showing of a live broadcast for any period of time.
- ~~[4.]~~ 3. For a ~~[disseminator]~~ *user* to not meet the filing deadlines specified in this regulation.

**21.060 Production.**

1. For each race, the video portion of every live broadcast must include:
  - (a) The post parade;
  - (b) ~~[At least twice after the end of the race and for at least 30 seconds each time]~~ *Before the start of a race*, the track totalizator board or a graphics display, which is interfaced with the tote system, showing the race odds and pool information in United States currency and the ~~[time]~~ *minutes* until post *time* at the track;
  - (c) The race;
  - (d) ~~[At least twice after]~~ *After* the end of the race ~~[and for at least 30 seconds each time]~~, the track totalizator board or a graphics display, which is interfaced with the

tote system, showing the official order of finish and the resulting payoffs in United States currency;

(e) The track totalizator board or a graphics display that accurately reproduces some or all of the information ~~[shown]~~ *displayed* on the totalizator board ~~[, at all times other required or permitted portions of the program are not shown]~~ *if any required, permitted, or other portion of the track's program is not otherwise displayed in the live broadcast;*

(f) At all times, the track's name or logo; and

(g) At all times, a digital display, as described in subsection 4, of the date and time of day at the track where the live broadcast races are run.

2. For each race, the audio portion of every live broadcast must include:

(a) Post time, as defined in Regulation 22;

(b) An announcement of the start of the race; and

(c) The call of the race.

3. The audio and video portions of any live broadcast may include:

(a) Information identifying the next race, its distance, and track conditions;

(b) The names, numbers, post positions, and other information identifying the horses and jockeys or other entrants in the next race;

(c) Pre-race preparation activities in the paddock area *or on the racetrack*; and

(d) Race replays, but only if the replays are conspicuously identified as such on the video portion of the live broadcast throughout the replay.

4. The digital display referred to in ~~[subparagraph]~~ *paragraph* (g) of subsection 1 must be generated at the track, ~~[broadcast continuously by the disseminator,]~~ and displayed continuously by the *track and* user. The time must be displayed to the nearest second, conform as closely as possible to the official time used by the track, and, along with the date, be readily visible to the person in the user's employ who controls the closing of wagering for each race.

5. Except as the Chair may otherwise approve in advance in writing, speakers, television screens, and similar devices used to display the audio and video portions of live broadcasts must be located only within public areas of the user's premises.

*6. The track from which the live broadcast originates must maintain a recording of the live broadcast for at least one year after the conclusion of the final race of the relevant meet.*

**21.070 Signal transmission, reception, and security.** Before ~~[providing]~~ *utilizing* a live broadcast ~~[to a user]~~, the ~~[disseminator]~~ *user* must:

1. Verify that the ~~[signals to be transmitted]~~ *live broadcast* will be encrypted and controlled by a conditional access system~~[,]~~ *and*

2. Install and maintain ~~[at each]~~ *on the* user's premises such equipment *and software* needed to *receive and* decrypt the signals transmitted to ~~[that]~~ *the* user.

~~{3. Maintain records of all serial numbers for all decryption equipment located at each user's premises.}~~

#### **21.080 Procedures of users.**

1. A user may not ~~{use}~~ *utilize* a live broadcast before the user has executed an agreement with the ~~{disseminator}~~ *track*. The user must maintain copies of all such executed agreements for five years after the expiration of such executed agreement.

2. A user ~~{may not use information included in a live broadcast to determine winners of and payoffs on wagers accepted at the user's race book unless the user receives the live broadcast from the disseminator approved to disseminate the live broadcast}~~ *who has executed a live broadcast agreement with a track may use information contained in the live broadcast to determine winners of, or payoff on, wagers accepted at the user's race book, provided the agreement is in compliance with the requirements set forth in section 21.050.*

3. Each user shall post at the user's establishment an explanation of any discrepancies between numbers used at the track and those used at the user's establishment to identify entrants.

#### **21.090 Records and reports.**

1. Each user who uses information included in a live broadcast to determine winners of and payoffs on wagers accepted at the user's race book shall ~~{record}~~ *document* simultaneously with the occurrence of the recorded event, for each live broadcast race:

~~{(a) The scheduled post time supplied by the disseminator;~~

~~{(b)}~~ The actual post time as defined in Regulation 22;

~~{(c)}~~ ~~{(b)}~~ The name, number, and official finishing position, as supplied by the track, of each entrant finishing in a position for which a payoff is made or offered;

~~{(d)}~~ ~~{(c)}~~ The official ~~{race}~~ track payoff results ~~{announced in the live broadcast}~~; and

~~{(e)}~~ ~~{(d)}~~ Such other information as the Chair may require.

2. ~~{Every user shall retain copies of the reports filed pursuant to Regulation 20.030(7).}~~

~~{3. Each disseminator shall record the audio and video portions of each live broadcast the disseminator transmits to users. Disseminators shall use such recording equipment and procedures as the Chair may approve in advance, and shall preserve the recordings for at least 20 days after the occurrence of the events recorded unless the Chair orders preservation for a different length of time. Using such equipment as may be approved in advance by the Chair, each disseminator shall incorporate in the video portion of the recordings the date and, to the nearest second, the correct time of day at which the live broadcast is transmitted to users. The}~~

~~disseminator shall take reasonable steps to prevent discrepancies between the track time displayed as part of the live broadcast and the time generated as part of the recording, and shall maintain and, upon the Chair's request, submit records describing each such discrepancy in detail. In the alternative, a disseminator, upon approval from the Chair and subject to conditions prescribed by the Chair, is not required to record the audio and video portions of each live broadcast the disseminator transmits to users if the disseminator is able to obtain such recordings from the track originating such live broadcast provided that the track maintains the recordings for at least 20 days after the occurrence of the events recorded or for such different time period as approved by the Chair.~~

~~4. Disseminators and users} Users~~ shall create and maintain the records required by this or any other regulation in such manner and using such forms as the Chair may require or approve.

3. The Chair may require ~~{disseminators and}~~ users to create and maintain such other records and reports as are necessary or convenient for strict regulation of ~~{disseminators and}~~ users.

4. At the Chair's request, ~~{disseminators and}~~ users shall submit the records specified in ~~{subsection 1} this section. {Users and disseminators}~~

5. *Users* shall preserve the records required by this ~~{regulation (other than the recordings referred to in subsection 3)} section~~ for at least ~~{5} five~~ years after they are made. The Board may at any time examine and copy the records of any user ~~{or disseminator}~~.

#### **21.100 Board monitoring and authority.**

~~1. {A disseminator who distributes live broadcasts to users shall provide and maintain at Board offices a post-licensing, investigative and security verification fund in such amount as the Chair may require.~~

~~2.} The Board may review the security of the live broadcast {transmission and reception} at any time and in any manner{, including, but not limited to:~~

- ~~(a) Verifying the security codes used to authorize decoders;~~
- ~~(b) Requesting security code changes;~~
- ~~(c) Verifying the number and locations of decoders; and~~
- ~~(d) Verifying the serial number of any decoder}.~~

~~{3.} 2. The Chair may order the immediate termination of any live broadcast {transmission or reception} originating from a track located in Nevada or to a user located in Nevada without prior notice or hearing whenever the Chair has reason to believe the {disseminator} track or user has violated any regulation of the Commission{, and each disseminator and user shall be considered to have consented to such authority of the Chair as a condition to the approval of the live broadcast}. After any such termination, the {disseminator} track or user may, within {3} three~~

days of the order, request a hearing before the Commission to review the Chair's order. The decision of the Commission is binding and conclusive on the affected ~~{disseminator}~~ *track* and ~~{users}~~ *user*.

~~{4.}~~ 3. The Board may recommend to the Commission that a person or an entity providing services in connection with the transmission of live broadcasts be required to file an application for a finding of suitability pursuant to NRS 463.168.

~~{21.110 Live broadcast supervision. Each disseminator:~~

~~1. Shall maintain an office in Nevada and designate a key employee to supervise and be responsible for the day to day operations of the dissemination of the live broadcasts; and~~

~~2. By using communications equipment, other than equipment used to transmit live broadcasts:~~

~~(a) Shall be able, at all times, to contact each user immediately; and~~

~~(b) Shall be available at all times to respond immediately to user requests for confirmation of information included in the live broadcasts.]~~

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## 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 Chair whose components shall be located in this State. The components shall include, but not be limited to, the *account wagering* systems operator, permanent information databases, system monitoring equipment, writers, and patron service representatives.

2. "Amateur sport or athletic event" means a sport or athletic event in which all of the participants are not permitted to receive any monetary compensation for their participation in such event and are only permitted to receive non-monetary compensation for their participation in such event in the form of trophies or medals; waived entry fees for future sport or athletic events; and scholarships for the tuition, room, board, books, fees, and stipends necessary to attend an academic institution.

3. "Book" means a race book or sports pool licensed and approved pursuant to chapter 463 of NRS and this regulation.

4. "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. A call center system specifically includes, but is not limited to, sports wagering applications. The call center system shall be located within Nevada.

5. “Cash” means coin and currency that circulates, and is customarily used and accepted as money, in the issuing nation.

6. “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 *paragraph (b) of subsection 3 of NRS ~~463.430(3)(b)~~ 463.430*; and

(b) Must have on-line, real-time access to the appropriate functions of the central site’s computerized bookmaking system.

7. “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

8. “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.

9. “Communications technology” means “communications technology” as that term is defined in *subsection 2 of NRS ~~463.016425(2)~~ 463.016425*.

10. “Governing body” means a body of managers which sanctions and regulates an athletic sporting event and/or an athletic sports league or association.

11. “Group I licensee” means a Group I licensee as that term is defined in ~~Regulation~~ *section 6.010 of these regulations*.

12. “Group II licensee” means a Group II licensee as that term is defined in ~~Regulation~~ *section 6.010 of these regulations*.

13. “Internet” means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

14. “Messenger bettor” means a person who places a race book or sports pool wager for the benefit of another for compensation.

15. “Nonpari-mutuel wager” means a race book or sports pool wager other than one offered to be included in a common pari-mutuel pool.

16. “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 system 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.

17. “Other event” means an event other than:

- (a) A horse race,
- (b) A greyhound race, or
- (c) An athletic sports event sanctioned by a governing body.

18. “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 *paragraph (b) of subsection 3 of NRS ~~463.430(3)(b)~~ 463.430*.

19. “*Pari-mutuel system service provider*” has the meaning ascribed to it in *subsection 2 of section 5.240 of these regulations*.

20. “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.

~~20.~~ 21. “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 track*, the later of either the time when the ~~[disseminator]~~ *the track* 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 Chair.

~~(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 Chair.]~~

~~(e)~~ (b) For licensed race books that, pursuant to an agreement with a ~~[licensed systems operator]~~ *pari-mutuel system service provider*, use a computerized bookmaking system that allows the ~~[systems operator]~~ *pari-mutuel system service provider* 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 Chair, as determined by the ~~[systems operator]~~ *pari-mutuel system*

service provider through information the ~~{systems operator}~~ *pari-mutuel system service provider* ~~{independently}~~ receives from ~~{a disseminator}~~ *the track*.

~~{(d)}~~ (c) Except as provided in paragraphs (a) ~~{,}~~ and (b) ~~{and (e)}~~ of this subsection ~~{16}~~, not later than 2 minutes before the scheduled post time as announced by the ~~{disseminator}~~ *track*.

~~{21.}~~ 22. “Professional sport or athletic event” means a sport or athletic event which is not an amateur sport or athletic event.

~~{22.}~~ 23. “Race book” ~~{means a business that accepts wagers on horse or other animal races}~~ *has the meaning ascribed to it in NRS 463.01855.*

~~{23.}~~ 24. “Satellite book” means a book that has been licensed pursuant to the provisions of *subsection 3 of NRS* ~~{463.245(3)}~~ *463.245.*

~~{24.}~~ 25. “Secure personal identification” means a secure personal identification as that term is defined in ~~{Regulation}~~ *section 5.225 of these regulations.*

~~{25.}~~ 26. “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}~~ *section 22.090.*

27. “Track” *has the meaning ascribed to it in paragraph (b) of subsection 2 of NRS 463.426. For the purposes of this regulation, the term includes an authorized agent or representative of a track.*

28. “User” *has the meaning ascribed to it in paragraph (c) of subsection 2 of NRS 463.426.*

~~{26.}~~ 29. “Virtual event” means an other event where the outcome is generated by an electronic device.

~~{27.}~~ 30. “Wagering account” means a wagering account as that term is defined in ~~{Regulation}~~ *section 5.225 of these regulations.*

~~{28.}~~ 31. “Wagering communication” means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

~~{29.}~~ 32. “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.

....

**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}~~ *NRS* 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 Chair may

require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. Such operator of a call center shall be subject to an investigation and review by the Board as deemed necessary by the Chair based on the regulatory risk and the intended activities of the operator of a call center.

3. Before receiving a finding of suitability, an operator of a call center must meet the qualifications for licensing pursuant to NRS 463.170.

4. Nothing in this ~~[Regulation]~~ *section* shall be construed to limit or prevent the Board from conducting such supplementary or expanded investigations of any applicant for finding of suitability as an operator of a call center as determined necessary by the Chair. The Board may require an applicant for finding of suitability as an operator of a call center to pay any supplementary investigative fees and costs in accordance with ~~[Regulation]~~ *section 4.070 of these regulations*.

5. An applicant for finding of suitability as an operator of a call center shall have the burden of showing that its operations are secure and reliable.

6. An applicant for finding of suitability as an operator of a call center shall be subject to the application and investigative fees established pursuant to ~~[Regulation]~~ *section 4.070 of these regulations*.

7. The Commission may require an operator of a call center to file an application for a license.

....

#### **22.040 Reserve requirements.**

1. Notwithstanding the minimum reserve requirements established for wagering accounts pursuant to *paragraph (b) of subsection ~~[20(b)] 20 of [Regulation] section 5.225 of these regulations~~*, each book shall comply with the following to calculate the minimum reserve requirements, unless the Chair for good cause permits a different amount:

(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 Chair 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(a). 2. The reserve

described in subsection 1 may be combined as a single amount for a book and its satellite books. 3. The provisions of ~~[Regulation 5.225(20)(a)]~~ *paragraphs (a)*, and (c) ~~[ ]~~ *to (l), inclusive, of subsection 20 of section 5.225 of these regulations* shall apply to a book regardless of whether a book offers wagering accounts, except that the agreement described in ~~[Regulation 5.225(20)(e)]~~ *paragraph (c) of subsection 20 of section 5.225 of these regulations* must, in addition to any other requirements, provide that the reserve is established and held in trust for the benefit and protection of patrons to the extent the book has accepted wagers from them on contingencies whose outcomes have not been determined, or owes them on winning wagers.

....

### **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 Chair, or against credits made to a wagering account as provided for in ~~[Regulation]~~ *section 22.160* or on credit extended in accordance with the provisions of chapter 463 of NRS and the regulations of the Commission.

2. A book shall accept wagers only on its licensed premises, and only at betting stations approved by the Chair or through an account wagering system that has been approved by the Chair.

3. A book shall not knowingly accept money or its equivalent ostensibly as a wager upon an event whose outcome has already been determined. Upon discovery, a book shall report to the Board's enforcement division instances of such ostensible wagers, whether accepted knowingly or unknowingly. Such report shall be supplemented to include relevant details of such instances within 45 days, including, without limitation:

- (a) Causes;
- (b) Corrective actions;
- (c) Actions taken with respect to payouts; and
- (d) Such other information as may be required by the Chair.

4. 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 Chair or from records created and maintained by the book in such manner as the Chair may approve.

5. 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.

6. 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.

7. 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, *or its equivalent under subsection 1 of section 22.145*, unless a betting ticket documenting the wager and contingency is issued immediately when the book receives the money or its equivalent.

8. 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.

....

#### **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]~~ *section 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]~~ *section 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 Chair. 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 24-hour 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]~~ *section* 22.061. When aggregated wagers exceed \$10,000, the book shall complete the recording and reporting requirements of ~~[Regulation]~~ *section* 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]~~ *section* 22.061, the book shall complete the identification, recordation and reporting procedures described in ~~[Regulation]~~ *section* 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 Chair.

(b) "Monitoring area" means all race book and sports pool writing locations unless otherwise approved by the Chair.

**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]~~ *section* 22.061. The wager or wagers need not exceed the dollar thresholds in ~~[Regulation]~~ *section* 22.061 at any single book in any single day in order to constitute structuring within the meaning of this definition.

....

**22.065 Imposition of supplemental recordkeeping and reporting requirements.** The Chair may require a book to comply with the identification, recordkeeping, and reporting requirements of ~~[Regulations]~~ *sections* 22.061 and 22.062 for pari-mutuel wagers. The Chair 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]~~ *sections* 4.185, 4.190 and 4.195 *of these regulations*.

....

**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 1 year 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 *the book's* 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.

~~[[Effective through date of July 2023 NGC Meeting.]]~~

~~4. Except as otherwise provided in this subsection, 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. A licensed race book may determine the winners of or payouts on wagers on horse and other animal races based on nationally televised broadcasts if:~~

~~(a) The book files a request with the Chair, at least 7 calendar days prior to the races taking place, for permission to determine the winners of specific races based on nationally televised broadcasts, and~~

~~(1) The specific races are Grade I, II, or III stakes races, as determined by the American Graded Stakes Committee of the Thoroughbred Owners & Breeders Association or successor entity, only, and~~

~~(2) There is not an off-track pari-mutuel wagering agreement in place between the track where the races are being held and any licensed race book or the Off-Track Pari-Mutuel Wagering Committee;~~

~~(b) The book stops accepting wagers on each of the races at the time the first horse or other animal enters the starting gate;~~

~~(c) The book shows the nationally televised broadcast of the races live at the book;~~

~~(d) The book ensures an employee of the book, other than a betting ticket writer, monitors the nationally televised broadcast, records the outcome of the races with the conclusion of each race, and records the time the outcome of each race occurred; and~~

~~(e) The Chair, upon a finding that the request is consistent with the public policy of the State of Nevada as set forth in NRS 463.0129, approves the request subject to any limitations or conditions the Chair deems appropriate.~~

~~↪ The Chair may rescind approval of a request upon written notice to the book.]~~

~~[[Effective on the date following the July 2023 NGC Meeting.]]~~

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~~ *an approved off-track pari-mutuel system or live broadcast or that the book can confirm from reliable sources satisfactory to the Chair or from records created and maintained by the book in such a manner as the Chair may approve.*

....

**22.120 Permitted wagers.** Wagers may be accepted or paid by any book on sporting events or other events except as limited, conditioned, or prohibited by these ~~Regulations~~ *regulations*, specifically including but not limited to:

1. Professional sport or athletic events sanctioned by a governing body;
2. Events held at a track which uses the pari-mutuel system of wagering;
3. Olympic sporting or athletic events sanctioned by the International Olympic Committee, subject to limitation by the Chair or the Chair's designee in the Chair's sole and absolute discretion;
4. Collegiate sporting or athletic events;
5. Other events; and Virtual events.

**22.1201 Other Events.**

1. A book shall not accept wagers on an other event unless the other event~~is~~:
  - (a) Has been approved by the Chair in writing;
  - (b) Has been sanctioned by an organization included on the list of sanctioning organizations maintained by the Board;
  - (c) Is listed on the list of pre-approved other events; or
  - (d) Is an Esports event and the book follows the procedures set forth in Section 22.1202. A book may only accept wagers on Esports events if it complies with Section 22.1202 or if the event operator of an Esports event is included on the list of sanctioning organizations.

2. A request for approval to accept wagers on an other event shall be made by a book at least 30 days prior to such event on such forms approved by the Chair, 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 is necessary to determine the outcome of the event.

(c) Such other information or documentation which demonstrates that:

- (1) The event could be effectively supervised;
- (2) There are integrity safeguards in place;
- (3) The outcome of the event would be verifiable;

(4) The outcome of the event would be generated by a reliable and independent process;

(5) The outcome of the event would be unlikely to be affected by any wager placed;

(6) The event could be conducted in compliance with any applicable laws; and

(7) The granting of the request for approval would be consistent with the public policy of the state.

(d) The complete event rules and voting procedures.

(e) Such additional or supplemental information as the Chair may require.

↪ The decision whether to grant approval to accept wagers on an other event shall be based on all relevant information including, but not limited to, the factors in subsection 2(c) of this section.

3. The Chair 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 the Chair deems reasonable. A book aggrieved by an administrative decision of the Chair may submit the matter for review by the Board and Commission pursuant to ~~[NGC Regulations]~~ *sections 4.185 through 4.195 of these regulations*, inclusive.

4. The Chair 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 upon service pursuant to ~~[Regulation]~~ *section 2.070 of these regulations*. If an interlocutory order revoking or suspending the administrative approval is issued, an affected book may request that the order be reviewed by the Board and Commission pursuant to ~~[NGC Regulation]~~ *sections 4.185 through 4.195 of these regulations*, inclusive.

5. Whenever the Chair 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]~~ *section 4.070 of these regulations*. 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 other event pursuant to this section, 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, Chair, 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. A virtual event shall not be approved pursuant to this section unless:

(a) 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 and

(b) A live display of the virtual event is offered to all approved sports pools.

8. The Board shall create, maintain, and make publicly available a list of sanctioning organizations.

(a) The Chair may, in the Chair's sole and absolute discretion, add a sanctioning organization to the list of sanctioning organizations, or a sanctioning organization may request the Chair add the sanctioning organization to the list. A sanctioning organization shall provide all information requested by the Chair during the Chair's consideration of whether to add the sanctioning organization to the list of sanctioning organizations.

(b) The Chair, in the Chair's sole and absolute discretion, may remove a sanctioning organization from the list of sanctioning organization at any time. Removal of a sanctioning organization from the list of sanctioning organizations is effective upon notice of the removal posted on the Board's website.

(c) The list of sanctioning organizations is a list created for the benefit of the Board in order to create an easy process for approval of wagers on other events. The existence of a sanctioning organization on the list is at the complete discretion of the Chair. If a sanctioning organization is not on the list or is removed from the list, the approval process for wagers on other events is as set out in this section. A sanctioning organization has no right to be on the list or to remain on the list.

9. The Board shall create, maintain, and make publicly available a list of pre-approved other events.

(a) The Chair may, for any previously approved other event and in the Chair's sole and absolute discretion, add an other event to the list of pre-approved other events.

(b) All additions to the list of pre-approved other events are effective for 1 year from the date of addition unless a different time period is specified at the time of addition to the list.

(c) The Chair is hereby granted the authority to issue an interlocutory order removing an other event from the list of pre-approved other events. An interlocutory order shall be deemed delivered and effective upon service pursuant to ~~[Regulation]~~ *section 2.070 of these regulations*. If an interlocutory order removing the other event from the list of pre-approved other events is issued, an affected book may request that the order be reviewed by the Board and Commission pursuant to ~~[NGC Regulation]~~ *sections 4.185 through 4.195 of these regulations*, inclusive.

## **22.1202 Esports.**

1. “Esports” means competitions between individuals or teams using video games which are hosted at a physical location or online. Esports are other events and are regulated as other events except as otherwise specifically set forth in this section.

2. For purposes of this section, “event operator” means a person or entity which sanctions, regulates, or organizes an Esports event.

3. A book may accept wagers on an Esports event if the book:

(a) Obtains full information about the video game used for the event, including, without limitation, the publisher of the video game;

(b) Obtains full information about the event operator, whether the event operator is approved to host events by the video game publisher, and whether the event operator has any affiliation with the video game publisher;

(c) Obtains full information concerning the manner in which the event is conducted by the event operator, including, without limitation, event rules;

(d) Obtains full information demonstrating that the event will:

(1) Be effectively supervised;

(2) Have effective integrity safeguards in place;

(3) Have verifiable outcomes;

(4) Have outcomes generated by a reliable and independent process;

(5) Have outcomes unlikely to be affected by any wager placed;

(6) Be conducted in compliance with any applicable laws; and

(7) Be consistent with the public policy of this state.

(e) Obtains a full description of any technology necessary to determine the outcome of the event;

(f) Conducts any other investigation deemed appropriate by the Chair; and

(g) Obtains any other information as the Chair may require.

4. If a book accepts wagers on an Esports event, the book shall maintain records reflecting all the information described in subsection 3 for the Esports event. The book shall update these records as often as necessary to satisfy the requirements of subsection 3. The book shall provide a report to the Board not later than 15 days after the start of a calendar quarter which includes the names of the event operators for all Esports events on which the book accepted wagers during the previous calendar quarter.

5. The Chair is hereby granted the authority to issue an interlocutory order prohibiting books from accepting wagers on events conducted by an event operator. An interlocutory order shall be deemed delivered and effective upon service to all books pursuant to ~~[Regulation]~~ *section 2.070 of these regulations*. If an interlocutory order prohibiting books from accepting wagers on events conducted by an event operator is issued, an affected book may request that the order be reviewed by the

Board and Commission pursuant to ~~[NGC Regulation]~~ *sections* 4.185 through 4.195 *of these regulations*, inclusive.

6. Whether or not a book has notified the Chair of the book accepting wagers on events conducted by an event operator, the Chair may place an event operator on the list of sanctioning organizations. If the Chair places an event operator on the list of sanctioning organizations, compliance with subsections 3 and 4 is not required. However, a book shall continue to monitor the integrity of events on which it accepts wagers and continue to follow all other requirements regarding wagers.

**22.1205 Prohibited wagers.** No wagers may be accepted or paid by any book on:

1. Any amateur sport or athletic event other than Olympic sporting or athletic events and collegiate sporting or athletic events as set out in this ~~[Regulation]~~ *section*;

2. Any sporting event or other event which the licensee knows or reasonably should know is being placed by, or on behalf of, an official, owner, coach, or staff of a participant or team or participant in that event. Each licensee shall take reasonable steps to prevent the circumvention of this ~~[regulation]~~ *section*;

3. The outcome of any election for any public office both within and without the State of Nevada; and

4. Any athletic sports event sanctioned by a governing body where the Chair has made a finding that the governing body is not effectively supervising such event or is not ensuring the integrity of such event.

(a) A licensee affected by such finding may appeal the finding pursuant to ~~[Regulation]~~ *sections* 4.185 through 4.195 *of these regulations*. The Chair's finding shall not be reversed absent the licensee demonstrating the governing body is effectively supervising the events it sanctions and is able to ensure the integrity of the events it sanctions.

(b) At any point after making such a finding, the Chair may rescind the finding upon receiving information satisfactory to the Chair that such governing body is effectively supervising the events it sanctions and is able to ensure the integrity of the events it sanctions.

(c) The Board shall send notice to all books pursuant to ~~[Regulation]~~ *section* 2.070 *of these regulations* of such finding or rescission.

**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~~ *section* 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.

### **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 Chair may require a book to:

(a) Disclose its betting limits in its house rules and obtain approval from the Chair before changing those limits or modifying its house rules; and

(b) Document and report, in such manner as the Chair 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 Chair 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]~~ *sections 4.185, 4.190 and 4.195 of these regulations.*

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.

**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 Chair in writing of the location and number or other identifier of each communications technology and shall obtain the written approval of the Chair for each communications technology. The Chair may condition the approval in any manner the Chair 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 Chair to accept such wagering communications and wagering instructions, and thereafter use only the communications technology approved for that purpose. A book or call center shall notify the Chair in writing if it ceases to use communications technology approved for the purpose of accepting wagering communications or wagering instructions within 10 days of cessation. The book or the call center must notify the Chair which communications technology approved for the purpose of accepting wagering communications or wagering instructions is currently being used by the book by October 1st of each calendar year.

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 Chair 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 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]~~ *section 14.260 of these regulations.*

6. A book receiving wagering instructions from a call center system shall comply with the requirements of ~~[Regulation]~~ *section 14.290 of these regulations* prior to the use of this system.

....

**22.140 Wagering communications; establishing patron wagering accounts for sports, nonpari-mutuel race, and other event wagering.**

1. A book may only accept a sports wager, nonpari-mutuel race wager, or other event wager from within Nevada or from other states or foreign jurisdictions in which such wagers are legal provided federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such wagers.

2. An operator of a call center may only accept wagering instructions for sports wagers, nonpari-mutuel race wagers, or other events wagers from within Nevada or from other states or foreign jurisdictions in which such wagers are legal provided federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such wagers.

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 *adopted pursuant to section 6.090 of these regulations*. Each Group II licensee that accepts wagering communications shall comply with the ~~Regulation 6.100~~ internal control procedures *adopted pursuant to section 6.100 of these regulations*.

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~~ *section 5.225 of these regulations* 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~~ *section 5.225 of these regulations* 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 inspect government issued picture identification credentials to confirm a patron's identity, as required by subsection 7 of ~~Regulation~~ *section 5.225 of these regulations*, by filing a request with the Chair for permission to have its employees inspect such identification credentials at locations outside of the book. The

request must include the types of locations to which a book intends to send its employees for the purposes of inspecting identification credentials. A book may not inspect identification credentials at locations outside of the book prior to the Chair approving the request. The Chair may impose limitations and conditions on any approved request. The Chair may rescind approval of a request of a book to have its employees inspect identification credentials outside the premises of the book upon written notice to the book;

(b) In addition to the requirements of ~~[Regulation]~~ *section 5.225 of these regulations*, 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]~~ *Regulation 26C*.

↪ If federal law allows the transmission of sports wagers, nonpari-mutuel race wagers, and other event wagers or information assisting in the placing of such wagers from other states or foreign jurisdictions, a book may modify subsection 6(b)(1) to reflect wagers from outside of Nevada are only allowed from other states or foreign jurisdictions in which such wagers are legal.

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 Chair. 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~~ *section 5.225 of these regulations*; and
- (b) Administrative approval has been granted by the Chair.

**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, *and regardless of whether a betting ticket was issued*;

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]~~ *section* 22.1201;

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, out-of-state nonpari-mutuel ~~[horse]~~ race wagers, and out of state other event wagers unless such wagers are legal in the jurisdiction from which they originate and federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such 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 complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account; and

8. 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.

....

**22.160 Wagering account transactions.** Except as otherwise provided herein, deposits, withdrawals, credits, and debits to wagering accounts shall be made in accordance with ~~[Regulation]~~ *section* 5.225 *of these regulations*.

**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 Chair.

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 Chair.

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 Chair. 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]~~ *section* 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.

....

**22.195 Records and reports for users ~~[and buyers]~~.** Each ~~["user", as defined in NRS 463.4218,]~~ *user* who uses information included in a live broadcast to determine winners of, ~~[and] or~~ 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]~~ *sections* ~~[20.030, 20.060,]~~ 21.080 and 21.090 *of these regulations*.

....

**~~[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 Chair prior to a book commencing direction, management, consultation, and/or instruction concerning the activity.~~

~~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 in any permissible jurisdiction other than Nevada shall be provided to the Chair 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 Chair 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 Chair. Such systems must include provisions for complying with all federal laws and regulations; and~~

~~(d) Provide such other information as the Chair may require concerning global risk management.~~

~~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 Chair the written agreement for the global risk management provided to the Nevada licensee. The Chair may object in writing to such agreements in the Chair's sole and absolute discretion. If the Chair 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 Chair, and the Chair has indicated in writing that the Chair does not object to the resubmitted agreement.]~~

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## REGULATION 26A

## OFF-TRACK PARI-MUTUEL *RACE* WAGERING

**26A.010 Scope.** This regulation and Regulation 26C govern all off-track pari-mutuel *race* wagering in Nevada for which a license, *registration*, or approval has been granted by the *Board or* Commission pursuant to ~~[chapter]~~ *chapters 463 or 464* of ~~[the Nevada Revised Statutes]~~ *NRS*. The provisions of chapter 463 of ~~[the Nevada Revised Statutes]~~ *NRS* and all other regulations of the Commission apply when not in conflict with this regulation.

**26A.020 Definitions.** As used in this regulation:

1. “Affiliate” has the same meaning as defined in ~~[Regulation]~~ *section 15.482-3 of these regulations*.
2. “Breakage” means:
  - (a) The rounding of a payout on a winning pari-mutuel *race* wager, as determined by the track in accordance with the laws and regulations that are applicable to the jurisdiction in which the track operates;
  - (b) Those deficiencies arising from payouts made pursuant to ~~[Regulation 26A.040(6)]~~ *subsection 6 of section 26A.040*; or
  - (c) Those deficiencies arising from the payment of a guaranteed payout pursuant to ~~[Regulation 26A.040(7)]~~ *subsection 7 of section 26A.040*.
3. “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.
4. “Commission on wagers” (“takeout”) means the amount retained and not returned to patrons by a pari-mutuel *race* book from the total amount of off-track pari-mutuel *race* wagers.
5. “Foreign track” means a track located outside of the United States.
6. “Gross revenue” means, for purposes of chapter 464 of ~~[the Nevada Revised Statutes]~~ *NRS*, the amount of the commission on wagers received by a ~~[licensee]~~ *licensed book*, plus positive breakage and the dollar amount of winning tickets that remain unpaid pursuant to *subsection 12 of section 26A.040*, less negative breakage and the ~~[amount paid to a track for the right to be part of an interstate or intrastate common pari-mutuel race pool (“track fee”)]~~ *track fee*. In calculating the monthly state license fee imposed by NRS 463.370, a licensee shall not deduct from gross revenue any promotional allowances related to pari-mutuel *race* wagering including, without limitation, prizes, payments, premiums, drawings, discounts, rebates, bonus payouts, benefits, or tickets that are redeemable for money or merchandise.
7. “Interstate common pari-mutuel *race* pool” means a pari-mutuel *race* pool consisting of the pari-mutuel *race* wagers placed at a track, its intrastate betting

locations, other jurisdictions and the off-track pari-mutuel *race* wagers placed and accepted at pari-mutuel *race* books.

8. “Intrastate common pari-mutuel *race* pool” means a pari-mutuel *race* wagering pool operated by a ~~{systems operator}~~ *pari-mutuel system service provider* consisting solely of the wagers placed and accepted at two or more pari-mutuel *race* books on races at tracks.

9. “*Licensed book*” means a *race book licensed to operate, carry on, conduct, or maintain any form of wagering under an off-track pari-mutuel race system of wagering pursuant to NRS 464.005.*

10. “Live ~~{audio-visual}~~ *audio-visual* signal” ~~{“simulecast”}~~ or “*simulcast*” means the audio and visual transmission of a race, or series of races, as it occurs at a track. *It includes a “live broadcast” as defined in paragraph (a) of subsection 2 of NRS 463.426.*

~~{10.}~~ 11. “Manual merge” means the process used in the event of a systems or communications failure by which the ~~{systems operator}~~ *pari-mutuel system service provider* transmits to the track through telephone, telecopy, cellular, or other means of communication, the pari-mutuel *race* books wagering information and the process by which the track includes the off-track pari-mutuel *race* wagers in the interstate common pari-mutuel *race* pool in such event.

~~{11.}~~ 12. “Nonpari-mutuel race wager” means a wager other than one offered to be included in an interstate or intrastate common pari-mutuel *race* pool.

~~{12.}~~ 13. “Off-track pari-mutuel *race* system” means a computerized system or component of a system that is used to transmit *race* wagering data:

(a) In an interstate common pari-mutuel *race* system, to and from a track which offers interstate common pari-mutuel *race* pools; or

(b) In an intrastate common pari-mutuel *race* system, between the pari-mutuel *race* books and a ~~{systems operator}~~ *pari-mutuel system service provider*, and includes the totalizator equipment used to determine the winners of and payoffs on intrastate common pari-mutuel *race* pools.

~~{13.}~~ 14. “Off-track pari-mutuel *race* wager” means either:

(a) A wager placed by a patron and accepted by a pari-mutuel *race* book on a race or races offered as part of an interstate common pari-mutuel *race* pool whether or not the wager is actually included in the total amount of the interstate common pari-mutuel *race* pool; or

(b) A wager placed by a patron and accepted by a pari-mutuel *race* book on a race or races offered as part of an intrastate common pari-mutuel *race* pool.

~~{14. “Pari-mutuel book” means a race book that has received a license to accept off-track pari-mutuel wagers pursuant to the provisions of chapters 463 and 464 of the Nevada Revised Statutes and this regulation. The term “pari-mutuel book” shall include pari-mutuel only books, unless stated otherwise within this regulation.}~~

15. “Pari-mutuel only book” means a race book that has received a license to accept off-track pari-mutuel *race* wagers pursuant to the provisions of chapters 463 and 464 of ~~[the Nevada Revised Statutes]~~ *NRS* and this regulation, but has elected not to accept nonpari-mutuel race wagers.

16. *“Pari-mutuel race book” means a race book that has received a license to accept off-track pari-mutuel race wagers pursuant to the provisions of chapters 463 and 464 of NRS and this regulation. The term “pari-mutuel race book” shall include pari-mutuel only books, unless stated otherwise within this regulation.*

17. *“Pari-mutuel system service provider” has the meaning ascribed to it in subsection 2 of section 5.240 of these regulations.*

18. “Post time” means “post time” as that term is defined in Regulation 22.

19. *“Racing meet” means a series of scheduled races held at a track for a specified time period.*

~~[17.]~~ 20. “Source market fee” means a track fee paid for accepting wagering account wagers, in accordance with Regulation 26C, from a customer residing in the track’s defined market area.

~~[18. “Systems operator” or “operator of a system” means a person engaged in providing the off-track pari-mutuel system or services directly related to the reconciliation of the interstate or intrastate common pari-mutuel pool and transfers of funds between the tracks and the pari-mutuel books, or among the pari-mutuel books.]~~

~~[19.]~~ 21. “Track” means an out-of-state facility licensed to operate horse or other racing where pari-mutuel *race* wagering on races is conducted, or a person licensed in another jurisdiction to conduct pari-mutuel *race* wagering on such races. Where applicable, the term ~~[also]~~ includes a person or governmental agency from outside this state ~~[that]~~ *who operates a track, is an agent or representative of the track*, holds a track’s rights to off-track pari-mutuel *race* wagering, or shares in its revenues. The term also includes an association of tracks.

22. *“Track fee” means the amount paid to a track for the right to be part of an interstate or intrastate common pari-mutuel race pool.*

23. *“User” has the meaning ascribed to it in paragraph (c) of subsection 2 of NRS 463.426.*

~~[20.]~~ 24. “Wagering data” means the information regarding results, actual payouts, and the amount of pari-mutuel and off-track pari-mutuel wagers accepted for each race or group of races in an interstate or intrastate common pari-mutuel *race* pool.

~~[21.]~~ 25. “Wagering information” means the amount of off-track pari-mutuel *race* wagers accepted for each race or group of races by a pari-mutuel *race* book.

**26A.030 License required to accept off-track pari-mutuel *race* wagers; applications.**

1. A person shall not accept off-track pari-mutuel wagers unless it has received a license pursuant to chapters 463 and 464 of ~~{the Nevada Revised Statutes}~~ *NRS* to accept such wagers. Licenses to accept off-track pari-mutuel wagers shall not be granted to anyone other than a nonrestricted licensee who is licensed to operate a race book *pursuant to chapter 463 of NRS*.

2. Applications for a license to accept off-track pari-mutuel wagers must be made, processed, and determined using such forms as the Chair may require or approve. Each application must be accompanied by an internal control system prepared and submitted in accordance with Regulation 6.

**26A.040 Conduct of off-track pari-mutuel *race* wagering.**

1. Off-track pari-mutuel *race* wagering may be conducted only within a race book or any other area approved by the Chair.

2. A pari-mutuel *race* book offering off-track pari-mutuel *race* wagering must comply with the provisions of Regulation 22, when not in conflict with this regulation.

3. ~~{A pari-mutuel book shall not use the information received from the off-track pari-mutuel system to determine the winners of, or payoffs on, nonpari-mutuel race wagers.~~

4.—A] *Except as provided in subsection 4, a pari-mutuel race book shall not use the information received from a live broadcast to determine the winners of, or payoffs on, off-track pari-mutuel race wagers.*

~~{5.}~~ 4. A pari-mutuel *race* book may use the information received from a live ~~{audio visual signal}~~ *broadcast, or from information the pari-mutuel race book can confirm is from a reliable source satisfactory to the Chair or from records created and maintained by the pari-mutuel race book in such a manner as the Chair may approve,* to determine the winners of, or payoffs on, off-track pari-mutuel *race* wagers in the event the ~~{systems operator}~~ *pari-mutuel system service provider* notifies the pari-mutuel *race* book that it is unable to relay that information to the pari-mutuel *race* book through the off-track pari-mutuel *race* system. A pari-mutuel *race* book shall comply with the Regulation 6 minimum internal control standards when making such payoffs.

~~{6.}~~ 5. A pari-mutuel *race* book shall pay winning interstate off-track pari-mutuel *race* wagers in accordance with official results at the track, irrespective of whether the wagering information from the pari-mutuel *race* book was included in the interstate common pari-mutuel *race* pool.

~~{7.}~~ 6. A pari-mutuel *race* book shall pay ~~{winnings,}~~ *winning* intrastate off-track pari-mutuel *race* wagers in accordance with official results from the approved, off-

track pari-mutuel *race* system and shall return at least one dollar and five cents for each winning dollar wagered, and any other guaranteed payout.

~~[8.]~~ 7. The pari-mutuel *race* books shall be jointly responsible for any deficiencies and shall share in any excesses resulting from the requirements of subsections 5 and 6 ~~[and 7]~~. The terms of any such agreement must be approved pursuant to the provisions of section 26A.140 ~~[of this regulation]~~.

~~[9. A pari-mutuel book, other than a pari-mutuel only book, that has agreed to accept off-track pari-mutuel wagers may only accept nonpari-mutuel race wagers on types of bets not offered as part of the interstate or intrastate common pari-mutuel pool, and may accept nonpari-mutuel race wagers on types of bets offered as part of an interstate or intrastate common pari-mutuel pool in the event the off-track pari-mutuel system is not functioning.]~~

~~[10.]~~ 8. A pari-mutuel *race* book shall not pay a ~~[systems operator]~~ *pari-mutuel system service provider* or a track any compensation for the right to be part of an interstate or intrastate common pari-mutuel *race* pool unless the agreement setting forth the terms of the compensation has been approved pursuant to the provisions of section 26A.140 ~~[of this regulation]~~.

~~[11.]~~ 9. A pari-mutuel *race* book shall adopt, conspicuously display, and adhere to written house rules governing off-track pari-mutuel *race* wagering transactions with patrons. Prior to adopting or amending such house rules, a pari-mutuel *race* book shall submit such rules to the Chair for approval.

~~[12.]~~ 10. A pari-mutuel *race* book shall allow patrons to cash an outstanding off-track pari-mutuel *race* ticket for 120 days from the date of purchase or 30 days after the close of the racing meet whichever shall first occur. Tickets which are not redeemed within such time become valueless, unless the time period is otherwise extended by the licensee, and the sum of money represented by them shall accrue to the issuing licensee.

~~[13.]~~ 11. Pari-mutuel *race* books may not accept intrastate pari-mutuel *race* wagers placed by any book, affiliate of the pari-mutuel *race* book, or a ~~[systems operator]~~ *pari-mutuel system service provider* providing the intrastate common pari-mutuel *race* system. ~~[Books or systems operator]~~ *Neither the pari-mutuel race book operator nor the pari-mutuel system service provider* may ~~[not]~~ place wagers into an intrastate common pari-mutuel *race* pool.

~~[14.]~~ 12. Each pari-mutuel *race* book that accepts an intrastate pari-mutuel *race* wager must visually display to patrons, through direct communications with the off-track pari-mutuel *race* system conducting the intrastate pool, the current odds and minutes to post for each race or wagering proposition on which intrastate wagers are being accepted as well as the official results and payoffs. The odds and post information shall be displayed at least 10 minutes prior to the scheduled post time and shall be updated at least every 90 seconds prior to post time. An intrastate pari-

mutuel *race* pool shall not be approved unless the ~~{systems operator}~~ *pari-mutuel system service provider* has the capability to deliver this visual information to the pari-mutuel *race* books in a form acceptable to the Chair, and each pari-mutuel *race* book must be capable of displaying the information in a form acceptable to the Chair, before being approved to participate in that intrastate pari-mutuel *race* pool.

....

**26A.060 Approval to share in revenues; applications.**

1. A pari-mutuel *race* book shall not pay a share of the revenue from off-track pari-mutuel *race* wagering to any person for the right to be part of an interstate or intrastate common pari-mutuel *race* pool or for any services relating to the interstate or intrastate common pari-mutuel *race* pool or off-track pari-mutuel *race* system, unless the person sharing the revenue from the off-track pari-mutuel *race* wagering has received approval from the Commission.

2. Applications for approval to be paid a share of the revenue from off-track pari-mutuel *race* wagering must be made, processed, and determined using such forms as the Chair may require or approve.

**26A.070 Criteria for approval to share in revenue.** The Board and the Commission may consider the criteria of section 463.170 of ~~{the Nevada Revised Statutes}~~ *NRS* in determining whether to approve an application by a person to receive a share of the revenue from off-track pari-mutuel *race* wagering.

**26A.080 Requirements imposed upon tracks approved to share in the revenue or otherwise receive compensation.**

1. A track approved to share in the revenue or otherwise receive compensation from pari-mutuel *race* books for the right to be part of an interstate common pari-mutuel *race* pool or for permitting pari-mutuel *race* books to conduct an intrastate pari-mutuel *race* pool shall:

(a) For each racing meet for which it is offering an interstate common pari-mutuel *race* pool or permitting pari-mutuel *race* books to conduct an intrastate pari-mutuel *race* pool, provide a live broadcast ~~{signal}~~ to a ~~{disseminator}~~ *user* at a fee ~~{which is less than the amount the disseminator may charge pursuant to Regulation 20.030, which amount shall not exceed three percent of the total live broadcast handle}~~ *or percentage rate, provided the track charges the same fee or rate to all users;*

(b) Offer all pari-mutuel *race* books the right to be part of an interstate common pari-mutuel *race* pool or intrastate pari-mutuel *race* pool and charge the same percentage of the revenue from off-track pari-mutuel *race* wagering to all pari-mutuel *race* books. If charging a fixed daily fee amount, the track *or track agent* shall charge each pari-mutuel *race* book its proportional share of the fixed amount based upon

each pari-mutuel *race* book's percentage of the total off-track pari-mutuel *race* wagers placed on that track~~[-]~~;

(c) Comply with all applicable state and federal laws for all racing meets for which it is offering an interstate common pari-mutuel *race* pool or permitting pari-mutuel *race* books to conduct an intrastate pari-mutuel *race* pool; and

(d) ~~Engage the services of the disseminator authorized to disseminate~~ Provide the live ~~broadcast~~ audio-visual signal ~~of a racing meet to provide~~ and racing information ~~not part of~~ of a race meet, excluding wagering data, ~~but which is the type of information provided to users and buyers, and to transmit the live audio-visual signal of the racing meet to the pari-mutuel books and the systems operator~~ to the user or the pari-mutuel system service provider via an executed agreement.

2. The live ~~audio-visual~~ audio-visual signal referred to in this section must meet the production requirements of Regulation 21 applicable to live broadcasts.

3. Nothing in this section shall be deemed to require a pari-mutuel *race* book to display a live ~~audio-visual~~ audio-visual signal in conjunction with an interstate or intrastate common pari-mutuel *race* pool.

~~2-~~ 4. A track approved to share in the revenue from off-track pari-mutuel *race* wagering shall maintain a revolving fund with the Board in an amount determined by the Chair, which may not exceed \$10,000 without Commission approval, for post-approval investigative costs. A track shall remit the amount requested by the Board within 15 days of the request.

#### **26A.090 ~~Licensing~~ Registration of off-track pari-mutuel *race* systems operator.**

1. A pari-mutuel *race* book shall not use an interstate or intrastate off-track pari-mutuel *race* system unless the systems operator has been ~~licensed by~~ registered with the ~~Commission~~ Board as a pari-mutuel system service provider as set forth in subsection 7 of NRS 464.005 and section 5.240 of these regulations.

2. Applications for ~~a license to serve~~ registration as a ~~systems operator~~ pari-mutuel system service provider must be made, processed, and determined using such forms as the Chair may require or approve as set forth in section 4.200 of these regulations ~~Each application must include an internal control system prepared and submitted in accordance with Regulation 6~~.

3. An applicant for registration as a pari-mutuel system service provider must hold all necessary licenses or approvals to operate an off-track pari-mutuel system in the jurisdictions in which its hubs, hosts, and guests are located. For purposes of this subsection:

(a) "Hub" means a business or facility that acts as an intermediary for processing bets from multiple jurisdictions.

(b) "Host" means an entity that:

- (1) Operates and controls the pari-mutuel pool; and
- (2) Distributes races associated with the pari-mutuel pool to one or more guests, as defined in paragraph (c).

(c) “Guest” means a track, off-track wagering facility, or other authorized entity that receives a live broadcast or a live audio-visual signal of a race from a host and accepts pari-mutuel wagers from its patrons on that race, which are combined with the host track’s pari-mutuel pool to calculate payoff prices.

**26A.100 Requirements imposed upon ~~[systems operators]~~ pari-mutuel system service providers.**

1. Each ~~[systems operator]~~ *pari-mutuel system service provider* 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 pari-mutuel *race* system.

2. ~~[Each systems operator shall submit and comply with an internal control system and all amendments to such system as have been approved by the Chair pursuant to Regulation 6. Each systems operator shall, if required by the Chair, amend the written system to comply with any requirements consistent with Regulation 6 that the Chair deems appropriate.]~~ *A pari-mutuel system service provider and off-track pari-mutuel system must comply with the location requirements set forth in subsection 3 of NRS 464.020.*

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 who shall audit the financial statements in accordance with generally accepted auditing standards, unless the Chair allows the systems operator upon written request to engage the independent accountant to review the financial statements in accordance with standards for accounting and review services.~~

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 systems 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 Chair. Not later than 150 days after the end of the systems operator's business year, the systems operator shall submit two copies 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 measure taken.~~

~~8. The Chair 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] *pari-mutuel system service provider* shall *provide and* maintain a revolving fund with the Board in an amount determined by the Chair, which may not exceed \$10,000 without Commission approval, for ~~[post-licensing]~~ *post-registration* investigative *and administrative* costs, *including, without limit, hub system test review costs.* ~~[A systems operator]~~ *The pari-mutuel system service provider* shall remit the amount ~~[requested]~~ *required* by the Board within 15 days of the request.~~

**26A.110 Approval of off-track pari-mutuel *race* systems; applications.** A pari-mutuel *race* book shall not use an off-track pari-mutuel *race* system unless the system has been approved pursuant to the provisions of Regulation 14 governing associated equipment.

**26A.120 Minimum technical requirements for off-track pari-mutuel *race* systems.** An off-track pari-mutuel *race* wagering system must include a fully redundant computer system and must:

1. For each race for which wagers are to be included in an interstate common pari-mutuel *race* pool, receive, aggregate by pool and report to a track at regular intervals to be approved by the Chair, all off-track pari-mutuel *race* wagering information received separately from the pari-mutuel *race* books;

2. For each race for which wagers are to be included in an interstate common pari-mutuel *race* pool receive and report to each pari-mutuel *race* book at regular intervals to be approved by the Chair, all wagering data received from the track through the system;

3. For each race for which wagers are to be included in an intrastate common pari-mutuel *race* pool, the system shall include totalizator equipment that shall

aggregate by pool and report to the pari-mutuel *race* books at regular intervals approved by the Chair, all pari-mutuel *race* wagering information received separately from the pari-mutuel *race* books;

4. After each race on which pari-mutuel *race* wagering is conducted is declared official, receive and report to each pari-mutuel *race* book the results ~~[and]~~, *which include the official order of finish*, payoff prices reported by the track in an interstate common pari-mutuel *race* pool, ~~[and the results reported by a licensed disseminator]~~ and payoff prices determined by the off-track pari-mutuel *race* system in an intrastate common pari-mutuel *race* pool. Nothing in this section shall be deemed to require the ~~[systems operator]~~ *pari-mutuel system service provider* or pari-mutuel *race* book to display a live ~~[audio-visual]~~ *audio-visual* signal in conjunction with an interstate or intrastate common pari-mutuel *race* pool; and

5. Provide all accounting and reconciliation reports required by the Chair.

#### **26A.130 Operation of the off-track pari-mutuel *race* system.**

1. A ~~[systems operator]~~ *pari-mutuel system service provider* operating an interstate common pari-mutuel *race* pool shall immediately notify the pari-mutuel *race* books in the event that it is unable to transmit wagering information to the track and shall cause the system to cease accepting off-track pari-mutuel *race* wagers if it is unable to transmit the wagering information to the track either through the system or through a manual merge.

2. A ~~[systems operator]~~ *pari-mutuel system service provider* operating an interstate common pari-mutuel *race* pool may use the information received from a live ~~[audio-visual]~~ *audio-visual* signal ~~[furnished]~~ *provided* by a track to input information regarding winners of, or payoffs on, off-track pari-mutuel *race* wagers in the event that communications between the track and the ~~[systems operator]~~ *pari-mutuel system service provider* is disrupted.

3. A ~~[systems operator]~~ *pari-mutuel system service provider* operating an intrastate common pari-mutuel *race* pool shall immediately notify the pari-mutuel *race* books in the event that it is unable to compile the information necessary to maintain an intrastate common pari-mutuel *race* pool and shall cause the system to cease accepting intrastate pari-mutuel *race* wagers in such an event.

4. A ~~[systems operator]~~ *pari-mutuel system service provider* shall cause the system to cease accepting off-track pari-mutuel *race* wagers from the pari-mutuel *race* books at post time.

***26A.135 Notification of intent.*** *The person representing the pari-mutuel books intending to submit agreements for the purpose of common pari-mutuel pooling of wagers must submit written notification of this intent to the Chair no later than 30 days prior to the start of the proposed racing meet.*

## 26A.140 Approval of agreements.

1. Except as provided in subsections 2 and 3, the terms and conditions of any agreement between the pari-mutuel *race* books, any person representing the pari-mutuel *race* books, ~~{systems-operator}~~ *pari-mutuel system service provider*, ~~{disseminator}~~ *user*, track, and ~~[the holders of track rights agreements,]~~ *person or entity providing services in connection with the transmission of live broadcasts*, or any combination thereof, relating in any way to the operation of an off-track pari-mutuel *race* wagering system, an interstate or intrastate common pari-mutuel *race* pool, or *the* transmission *or reception* of a live ~~{audio-visual}~~ *audio-visual* signal of races on which off-track pari-mutuel *race* wagering will be conducted must be approved by the Commission upon a recommendation of the Board.

2. The Chair, after whatever investigation or review the Chair deems necessary, may approve the following agreements:

(a) Any agreement, or amendment to an agreement, involving the sharing of pari-mutuel *race* revenue if the Commission has previously approved the person sharing in the revenue; or

(b) Any agreement, or amendment to an agreement, not involving the sharing of pari-mutuel *race* revenue, whether or not the Commission has previously approved such an agreement.

3. Agreements among the pari-mutuel *race* books as to the types of intrastate pari-mutuel *race* wagers to be accepted for a particular race or races do not require approval by the Commission or the Chair.

4. An agreement between the pari-mutuel *race* books and a track shall not be approved unless the Chair or Commission, as applicable, is satisfied that:

(a) The agreement specifies the amount of the commission on wagers and track fees, including source market fees if applicable;

(b) The agreement specifies the manner in which breakage is to be allocated;

(c) The agreement specifies the manner in which the parties will handle a system or communication failure and specifically requires the track to accept wagering information from the ~~{systems-operator}~~ *pari-mutuel system service provider* through a manual merge for a reasonable amount of time; or the agreement specifies that if the track is unable to accept wagering information through a manual merge, or the applicable regulatory agency having jurisdiction over the track or the laws of the jurisdiction in which the betting system is located does not permit manual merge as a means of transmitting wagering information, the requirement for manual merge set forth in subsection 26A.130(1) may be administratively waived by the Chair;

(d) The track has complied with all federal, state and local interstate pari-mutuel *race* wagering laws and regulations that are applicable to the jurisdiction where the track operates;

(e) The track holds all necessary licenses *and approvals* in its home state or country to participate in the off-track pari-mutuel *race* system and to provide the live ~~audio-visual~~ *audio-visual* signal;

(f) 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 *race* system, and the transmission *or reception* of the live ~~audio-visual~~ *audio-visual* signal, and to investigate any associate of the track in such operation and transmission;

(g) There is assurance that the track has ~~engaged the services of a disseminator~~ *entered into an agreement with a user*, as required by *paragraph (d) of subsection 1 of section ~~[26A.080(1)(d)] 26A.080~~*, ~~and that the related live broadcast proposal has been approved by the Chair pursuant to Regulation 21.046~~;

(h) There is assurance that the operation of the off-track pari-mutuel *race* system and the transmission *or reception* of the live ~~audio-visual~~ *audio-visual* signal will be lawfully conducted after approval by the Commission or Chair, as applicable, and will not pose a threat to gaming control in Nevada;

(i) There is assurance that the track and its associates in the off-track pari-mutuel *race* wagering system and live ~~audio-visual~~ *audio-visual* signal transmission *and reception* will abide by the conditions and restrictions imposed upon approval;

(j) There is assurance that the right of Nevada to collect license fees from the pari-mutuel *race* books will be adequately protected through an effective accounting system designed to prevent the undetected employment of techniques to avoid payment; and

(k) There is assurance that the relationship of the track with any associate will not pose a threat to the interest of Nevada in regulating the gaming industry within the state.

5. An executed agreement between the pari-mutuel *race* books and a track shall be submitted to the Chair for approval no later than 10 days before the racing meet begins. Additionally, for a foreign track *not previously approved by the Chair or Commission*, a draft agreement between the pari-mutuel *race* books and the track and an executed letter of contractual intent between the pari-mutuel *race* books and the track must be submitted to the Chair no later than ~~90~~ *30* days before the racing meet begins.

6. An agreement between the pari-mutuel *race* books and a ~~systems operator~~ *pari-mutuel system service provider* relating to an interstate or an intrastate common pari-mutuel *race* pool shall not be approved unless the Chair or Commission, as applicable, is satisfied that:

(a) The agreement specifies the amount of the common pari-mutuel *race* pool commission on wagers;

(b) The agreement specifies the manner in which the common pari-mutuel *race* pool breakage is to be allocated;

(c) The agreement specifies the manner in which the parties will handle a system or communication failure;

(d) 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 *race* system; and

(e) There is assurance that the right of Nevada to collect license fees from the pari-mutuel *race* books will be adequately protected through an effective accounting system designed to prevent the undetected employment of techniques to avoid payment.

**26A.150 Deduction of commission on wagers.** The total percentage of off-track pari-mutuel *race* wagers that is to be deducted as a commission on wagers must be:

1. For interstate common pari-mutuel *race* pools, the same percentage as deducted by the track, unless a different percentage is otherwise approved by the Commission; and

2. For intrastate common pari-mutuel *race* pools, a percentage not to exceed 25 percent.

**26A.160 Limits and conditions on approvals.** The Commission may impose limits or place conditions upon any license or approval issued pursuant to this regulation.

**26A.170 Record retention; access to premises.** Each pari-mutuel *race* book, each ~~{licensed systems operator}~~ *pari-mutuel system service provider*, and each track which offers an interstate common pari-mutuel *race* pool, shall:

1. Maintain and retain all records required by the Chair, for at least 5 years after they are made and shall provide them to the Chair upon the Chair's request; and

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 *race* book, track and ~~{systems operator}~~ *pari-mutuel system service provider*, on the premises, or elsewhere as practicable.

**26A.180 Grounds for disciplinary action.** Violation of any applicable law or regulation by a pari-mutuel *race* book, track, or ~~{systems operator}~~ *pari-mutuel system service provider* constitutes reasonable cause for disciplinary action.

**26A.190 Authority to issue orders for racing meets.** The Commission Chair shall issue such orders as the Commission Chair deems appropriate to further the process of off-track pari-mutuel *race* wagering.

**26A.200 Waivers *or modifications*.** The Chair may waive *or modify* one or more of the requirements of Regulation 26A if the Chair ~~{finds}~~ *determines, in the Chair's sole and absolute discretion,* that such waiver *or modification* is consistent with the public policy set forth in ~~{sections 463.0129 and 464.020 of the Nevada Revised Statutes}~~ *NRS 463.0129 and NRS 464.020. The Chair may condition or limit a waiver or modification granted pursuant to this section in any manner the Chair deems reasonable.*

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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 *sports* 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}~~ *NRS*. The provisions of chapter 463 of ~~{the Nevada Revised Statutes}~~ *NRS* and all other regulations of the Commission apply when not in conflict with this regulation.

**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. “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s 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 *sports* pool” means a pari-mutuel *sports* wagering pool consisting of the off-track pari-mutuel 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}~~ *pari-mutuel system service provider* through telephone, telecopy, cellular or other means of communication, the sports books’ wagering information, and the process by which the ~~{systems operator}~~ *pari-mutuel system*

*service provider* includes the off-track pari-mutuel sports wagers in the common pari-mutuel *sports* 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 *sports* wager on a sporting event or other event offered as part of a common pari-mutuel *sports* pool, whether or not the wager is actually included in the common pari-mutuel *sports* pool.

8. “Other event” means an event other than:

(a) A horse race~~{};~~

(b) A greyhound race~~{};~~ or

(c) An athletic sporting event sanctioned by a governing body.

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}~~ *NRS* 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. *“Pari-mutuel system service provider” has the meaning ascribed to it in subsection 2 of section 5.240 of these regulations.*

11. “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 pari-mutuel sports books.

~~{11.}~~ 12. “Post time” means five minutes before the scheduled start of a sporting event or other event or such other time as designated by the Chair.

~~{12.}~~ 13. “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.

### **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 the person has received a license pursuant to chapters 463 and 464 of ~~{the Nevada Revised Statutes}~~ *NRS* 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 Chair approves. The application must be accompanied by an internal control system that complies with Regulation 6.

**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. Off-track 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 Chair, 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 *sports* 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 *sports* 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]~~ *pari-mutuel system service provider* or any other pari-mutuel sports book any compensation for the right to be part of a common pari-mutuel *sports* 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 Chair for the Chair's 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.

....

**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 pari-mutuel *sports* 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 *sports* 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 Chair, which may not exceed \$10,000 without Commission approval, for post-approval investigative costs.

**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 *sports* pool at the same fee or rate.

**26B.090 ~~Liensing~~ Registration 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~~ *registered with the Board as a pari-mutuel system service provider as set forth in subsection 7 of NRS 464.005 and section 5.240 of these regulations.*

2. An application for a ~~license~~ *registration* to serve as a ~~systems operator~~ *pari-mutuel system service provider* must be ~~submitted using such forms as the~~ *made, processed, and determined using such forms as the* Chair may require or ~~approves~~ *as set forth in section 4.200 of these regulations.* ~~[The application must be accompanied by an internal control system that complies with Regulation 6.]~~

**26B.100 Requirements imposed upon ~~systems operator~~ pari-mutuel system service provider.** ~~[As used in this section, the term "Chair" means the Chair or other member of the Board designated by the Chair.]~~

1. Each ~~systems operator~~ *pari-mutuel system service provider* 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 pari-mutuel 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 Chair pursuant to Regulation 6. Each systems operator shall, if required by the Chair, amend the written internal control system to comply with any requirements consistent with Regulation 6 that the Chair deems appropriate]~~ *A pari-mutuel system service provider and off-track pari-mutuel system must comply with the location requirements set forth in subsection 3 of NRS 464.020.*

~~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 Chair 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 Chair. 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 Chair 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]~~ *pari-mutuel system service provider* shall *provide and maintain a revolving fund with the Board in an amount determined by the Chair, which may not exceed \$10,000 without Commission approval, for ~~[post-licensing]~~ post-registration investigative and administrative costs, including, without limit, hub system test review costs. The pari-mutuel system service provider shall remit the amount required by the Board within 15 days of the request.*

....

**26B.130 Operation of the off-track pari-mutuel sports system.** A ~~[systems operator]~~ *pari-mutuel system service provider* 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.

**26B.140 Approval of agreements.**

1. The terms and conditions of any agreement between pari-mutuel sports books, or between pari-mutuel sports books and a ~~[systems operator]~~ *pari-mutuel system service provider* 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 Chair pursuant to subsection 2, after whatever investigation the Board or Chair deems necessary.

2. An agreement described in subsection 1 may be approved by the Chair 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 Chair 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]~~ *pari-mutuel*

*system service provider* 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)]~~ 5 and ~~[(6)]~~ 6 of ~~[this regulation]~~ *section 26B.040*.

(f) The agreement specifies the manner in which the parties will handle pool amounts that are not won by patrons.

(g) The ~~[systems operator]~~ *pari-mutuel system service provider* and pari-mutuel sports books have complied with all laws applicable to off-track pari-mutuel sports wagering;

(h) The ~~[systems operator]~~ *pari-mutuel system service provider* and pari-mutuel sports books hold all necessary licenses and approvals to participate in the off-track pari-mutuel *sports* 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]~~ *pari-mutuel system service provider* 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 system service provider*, 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]~~ *pari-mutuel system service provider* and pari-mutuel sports books with any associate will not pose a threat to the interest of Nevada in regulating the gaming industry.

....

**26B.160 Limits and conditions on *registrations and approvals*.**

1. *The Chair may impose limits or place conditions upon any registration or approval the Chair issues or grants pursuant to this regulation.*

2. The Commission may impose limits or place conditions upon any license or approval ~~[issued]~~ *it issues or grants* pursuant to this regulation.

**26B.170 Record retention; monthly reports; access to premises.** Each pari-mutuel sports book and each ~~{systems operator}~~ *pari-mutuel system service provider* which offers a common pari-mutuel *sports* pool, shall:

1. Maintain and retain all records required by the Chair for at least five years after they are made, and provide them to the Chair upon the Chair's 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}~~ *pari-mutuel system service provider*, on its premises or elsewhere as practicable; and
3. File with the Board all reports required by the Chair.

**26B.180 Grounds for disciplinary action.** Violation of any applicable law or regulation by a pari-mutuel sports book or ~~{systems operator}~~ *pari-mutuel system service provider* constitutes reasonable cause for disciplinary action.

**26B.190 Waivers *or modifications*.** The ~~{Commission}~~ *Chair* may waive *or modify* one or more of the requirements of Regulation 26B if ~~{it finds}~~ *the Chair determines, in the Chair's sole and absolute discretion*, that such waiver *or modification* is consistent with the public policy set forth in NRS 463.0129 and 464.020. *The Chair may condition or limit a waiver or modification granted pursuant to this section in any manner the Chair deems reasonable.*

**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 pari-mutuel sports book, less any commission on wagers returned to a patron by the pari-mutuel sports book pursuant to *subsections 5 and 6 of section ~~{26B.040(5) and (6) of this regulation}~~ 26B.040.*

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 *sports* pool. The term does not include any amount paid to a ~~{systems operator}~~ *pari-mutuel system service provider*, a gaming licensee, an association of gaming licensees or their affiliates.

~~{26B.210 Effective date of regulation. This regulation shall be effective upon passage.}~~

REGULATION 26C  
OFF-TRACK PARI-MUTUEL ~~{HORSE}~~ RACE ACCOUNT WAGERING

**26C.005 Scope.** This regulation and Regulation 26A govern all off-track pari-mutuel ~~{horse}~~ race account wagering in Nevada for which a license, *registration*, or approval has been granted by the *Board or Commission* pursuant to ~~{chapter}~~ *chapters 463 or 464* of ~~{the Nevada Revised Statutes}~~ *NRS*. The provisions of chapter 463 of ~~{the Nevada Revised Statutes}~~ *NRS* and all other regulations of the Commission apply when not in conflict with this regulation.

**26C.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 Chair, whose components shall be located in this State. The components shall include, but not be limited to, the *accounts wagering* systems operator, permanent information databases, system monitoring equipment, writers, and patron service representatives.

2. “Book” or “race book” means a pari-mutuel ~~{horse}~~ race book licensed and approved pursuant to chapters 463 and 464 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 pari-mutuel ~~{horse}~~ race wagering instructions from a patron to a person licensed to accept off-track pari-mutuel ~~{horse}~~ race wagers. A call center system specifically includes, but is not limited to, pari-mutuel ~~{horse}~~ race wagering applications. The call center system shall be located within Nevada.

4. “Central site book” means a book which, for the purpose of wagering communications, may allow other licensed affiliated 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)}~~ *paragraph (b) of subsection 3 of NRS 463.430*; and

(b) Must have on-line, real-time access to the appropriate functions of the central site’s off-track pari-mutuel race system.

5. “Chair” means the Chair of the Nevada Gaming Control Board or the Chair’s designee.

6. “Communications technology” ~~{means “communications technology” as that term is defined}~~ *has the meaning ascribed to it in {NRS 463.016425(2)} subsection 2 of NRS 463.016425.*

7. “Group I licensee” means a Group I licensee as that term is defined in ~~[Regulation]~~ *section 6.010 of these regulations.*

8. “Group II licensee” means a Group II licensee as that term is defined in ~~[Regulation]~~ *section 6.010 of these regulations.*

9. “Internet” means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

10. “Messenger bettor” means a person who places a wager for the benefit of another for compensation.

11. “Operator of a call center” means a person who, as an agent of a licensed Nevada pari-mutuel race book, engages in the business of operating a call center system as a means of providing patron services to assist a patron located in a state or foreign jurisdiction where such wagering is legal, to convey pari-mutuel ~~[horse]~~ race wagering instructions to one or more licensed Nevada pari-mutuel race books. A Nevada pari-mutuel race book operating a call center system 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.

12. “Outstation book” means a book, other than a satellite book, that shares the off-track pari-mutuel race system and certain management or administrative functions of a book operated by an affiliated licensee, as defined in ~~[NRS 463.430(3)(b)]~~ *paragraph (b) of subsection 3 of NRS 463.430.*

13. *“Pari-mutuel system service provider” has the meaning ascribed to it in subsection 2 of section 5.240 of these regulations.*

14. “Post time” means, unless an earlier time is required by regulation in the state where the race is run, the 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 Chair.

~~[14.]~~ 15. “Satellite book” means a book that has been licensed pursuant to the provisions of ~~[NRS 463.245(3)]~~ *subsection 3 of NRS 463.245.*

~~[15.]~~ 16. “Secure personal identification” ~~[means a secure personal identification as that term is defined]~~ *has the meaning ascribed to it in [Regulation] section 5.225 of these regulations.*

~~[16.]~~ 17. “Wagering account” ~~[means a wagering account as that term is defined]~~ *has the meaning ascribed to it in [Regulation] section 5.225 of these regulations.*

~~[17.]~~ 18. “Wagering communication” means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

~~[18.]~~ 19. “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.

....

**26C.030 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~~ *NRS* to operate a call center under this regulation or Regulation 22.

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 Chair may require or approve and must be accompanied and supplemented by such documents and information as may be specified or required. Such operator of a call center shall be subject to an investigation and review by the Board as deemed necessary by the Chair based on the regulatory risk and the intended activities of the operator of a call center.

3. Before receiving a finding of suitability, an operator of a call center must meet the qualifications for licensing pursuant to NRS 463.170.

4. Nothing in this Regulation shall be construed to limit or prevent the Board from conducting such supplementary or expanded investigations of any applicant for finding of suitability as an operator of a call center as determined necessary by the Chair. The Board may require an applicant for finding of suitability as an operator of a call center to pay any supplementary investigative fees and costs in accordance with ~~Regulation~~ *section 4.070 of these regulations*.

5. An applicant for finding of suitability as an operator of a call center shall have the burden of showing that its operations are secure and reliable.

6. An applicant for finding of suitability as an operator of a call center shall be subject to the application and investigative fees established pursuant to ~~Regulation~~ *section 4.070 of these regulations*.

7. The Commission may require an operator of a call center to file an application for a license.

**26C.040 Registration of managers or supervisors.**

1. Any individual who fulfills the function of race book manager or supervisor or who fulfills the function of a manager or supervisor for an operator of a call center must register with the Board. Such registration must be made on a form provided by the Chair and shall include the individual's:

(a) Full legal name and any aliases, nicknames, maiden name and any other change, legal or otherwise;

(b) Social security number and current driver's license number;

(c) Date and place of birth;

(d) History of residence for the past 5 years;

(e) History of employment for the past 10 years;

(f) Complete history of arrests, detentions, or litigations including any which have been sealed or expunged by court order;

(g) Consent to a full licensing investigation, subject to the provisions of subsection 3, by the Board and Commission; and

(h) Such other information as required by the Chair.

2. Licensed key employees or key employees in applicant status are not required to register pursuant to this section.

3. Individuals required to register must file within 30 days of assuming such duties.

4. After reviewing the registration forms, the Chair may request that the individual file a completed application form. Individuals who object to the request for submission of a completed application form and commencement of a full licensing investigation by the Board may appeal the administrative decision to the full Board and Commission in a manner similar to that outlined in ~~Regulations~~ sections 4.185 through 4.195 *of these regulations*.

5. The requirements of this section do not apply to satellite books.

....

#### **26C.050 Reserve requirements.**

1. Notwithstanding the minimum reserve requirements established for wagering accounts pursuant to ~~Regulation 5.225(20)(b)~~ *paragraph (b) of subsection 20 of section 5.225 of these regulations*, each book shall comply with the following to calculate the minimum reserve requirements, unless the Chair for good cause permits a different amount:

(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 due the patron on wagers whose outcomes have been determined but that have not been posted to the patron's wagering account.

(b) Before beginning operations, each newly-licensed book must establish a reserve of at least the greater of \$25,000 or the amount the Chair projects will at least equal the sum of the amounts specified in subparagraphs (1), (2), and (3) of *paragraph (a) 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 *paragraph (a) of subsection 1(a)*.

2. The reserve described in subsection 1 may be combined as a single amount for a book and its satellite books.

3. The reserve described in subsection 1 may be combined as a single amount with the reserve described in ~~[NGC Regulation]~~ *section 22.040 of these regulations.*

4. The provisions of ~~[Regulation 5.225(20)(a), and (e)—(l)]~~ *paragraphs (a), and (c) to (l), inclusive, of subsection 20 of section 5.225 of these regulations* shall apply to a book, except that the agreement described in ~~[Regulation 5.225(20)(e)]~~ *paragraph (c) of subsection 20 of section 5.225 of these regulations* must, in addition to any other requirements, provide that the reserve is established and held in trust for the benefit and protection of patrons to the extent the book has accepted wagers from them on contingencies whose outcomes have not been determined, or owes them on winning wagers.

....

### **26C.070 Acceptance of wagers.**

1. Books may not accept wagers unless made against credits made to a wagering account as provided for in ~~[Regulation]~~ *section 26C.190* or on credit extended in accordance with the provisions of chapter 463 of NRS and the regulations of the Commission.

2. A book shall accept wagers only on its licensed premises, and only at betting stations approved by the Chair or through an account wagering system that has been approved by the Chair.

3. A book shall not knowingly accept money or its equivalent ostensibly as a wager upon an event whose outcome has already been determined. *Upon discovery, a book shall report to the Board's enforcement division instances of such ostensible wagers, whether accepted knowingly or unknowingly. Such report shall be supplemented to include relevant details of such instances within 45 days, including, without limitation:*

*(a) Causes;*

*(b) Corrective actions;*

*(c) Actions taken with respect to payouts; and*

*(d) Such other information as may be required by the Chair.*

4. 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

5. No book may hold a patron's money or its equivalent on the understanding that the book will accept the money as ~~[a]~~ *an account* wager only upon the occurrence of a specified, future contingency, unless an electronic record documenting the wager and contingency is immediately made in the off-track pari-mutuel race system.

6. For licensed Nevada pari-mutuel race books to accept off-track pari-mutuel ~~[horse]~~ race wagers on established wagering accounts for residents of Nevada and residents of any state or foreign jurisdiction as provided for in ~~[Regulation]~~

~~26C.160(4)~~ *subsection 4 of section 26C.160*, the book will perform procedures to provide reasonable assurance that the patron is located within the borders of a state or foreign jurisdiction in which pari-mutuel ~~horse~~ race wagering is legal, and that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders prior to accepting a wagering communication. Reasonable assurance of patron location includes, but is not limited to, an inquiry process through electronic or voice-only means in which patrons affirm their physical location at the time of each wagering communication. A recording of the inquiry process with the patron shall be retained for a period of 60 days.

**26C.071 Required submissions to the ~~board~~ Board.** [Repealed: 6/30/07.]

**26C.072 Imposition of supplemental recordkeeping and reporting requirements.** The Chair may require a book to comply with the identification, recordkeeping, and reporting requirements of ~~Regulations~~ *sections 22.061 and 22.062 of these regulations* for inter-state pari-mutuel ~~horse~~ race account wagers. The Chair 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~~ *sections 4.185, 4.190 and 4.195 of these regulations*.

**26C.080 Payment of winning wagers.** In the event the off-track pari-mutuel system is not functioning, a licensed race book shall determine the winners of or payouts on wagers on ~~horse~~ races in accordance with the provisions of ~~Regulation~~ *section 26A.040 of these regulations*.

....

**26C.100 Layoff bets.** A book may place or accept wagers from another book if the accepting book does not have common control ~~{(as defined in Regulation 16.010(3))}~~, *as defined in subsection 3 of section 16.010 of these regulations*, with the placing book. A book that is permitted to place a layoff wager shall inform the book accepting the wager that the wager is being placed by a book and shall disclose its identity.

**26C.110 Prohibition against rescission of wagers.** A book may not unilaterally rescind any wager without the prior written approval of the Chair. *An ostensible wager accepted by a book upon an event whose outcome has already been determined is not a wager.*

**26C.120 Prohibited wagers.** No wagers may be accepted or paid by any pari-mutuel race book on any event other than a ~~horse~~ race that is offered as part of a pari-mutuel pool.

**26C.130 Wagers; terms and conditions.** No book shall:

1. Accept from a patron, directly or indirectly, less than the full face value of an off-track pari-mutuel wager;
2. 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
3. Increase the payoff of, or pay a bonus on, a winning off-track pari-mutuel wager.

↳ The provisions of this section do not prohibit the granting of room, food, beverage or entertainment admission complimentaries.

**26C.140 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 Chair in writing of the location and number or other identifier of each communications technology and shall obtain the written approval of the Chair for each communications technology. The Chair may condition the approval in any manner the Chair 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 Chair to accept such wagering communications and wagering instructions, and thereafter use only the communications technology approved for that purpose. A book or call center shall notify the Chair in writing if it ceases to use the communications technology approved for the purpose of accepting wagering communications or wagering instructions within 10 days of cessation. The book or the call center must notify the Chair which communications technology approved for the purpose of accepting wagering communications or wagering instructions is currently being used by the book by October 1st of each calendar year.

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 Chair 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}~~ *Board* or ~~{commission}~~ *Commission*, a book or a call center shall provide a written consent for the ~~{board}~~ *Board* or ~~{commission}~~ *Commission* to examine and copy the records of any 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}~~ *section 14.260 of these regulations*.

6. A book receiving wagering instructions from a call center system shall comply with the requirements of ~~{Regulation}~~ *section 14.290 of these regulations* prior to the use of this system.

7. Nothing herein prohibits the use of the Internet for the purposes of establishing wagering accounts or transacting wagering account deposits and withdrawals.

### **26C.150 Use of an operator of a call center.**

1. A licensed Nevada pari-mutuel race 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 pari-mutuel race book and the date/time instructions are received from a patron for:

(a) Pari-mutuel ~~{horse}~~ race wagers to be placed; and

(b) Any other pari-mutuel ~~{horse}~~ race wagering instructions as may be approved by the Chair.

3. The operator of a call center performs such patron services as:

(a) Receiving pari-mutuel ~~{horse}~~ race wagering instructions from a patron and performing procedures to provide reasonable assurance that the patron is located within the borders of a state or foreign jurisdiction in which pari-mutuel ~~{horse}~~ race wagering is legal, and that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders prior to accepting a wagering communication. Reasonable assurance of patron location includes, but is not limited to, an inquiry process through electronic or voice-only means in which patrons affirm their physical location at the time of each wagering communication. A recording of the inquiry process with the patron shall be retained for a period of 60 days;

(b) Providing help desk responses to patrons and the general public concerning pari-mutuel ~~{horse}~~ race wagers at a licensed Nevada pari-mutuel race book; and

(c) Such other patron services as may be approved by the Chair.

4. In addition to the posting of the wager in the off-track pari-mutuel race system by the Nevada pari-mutuel race 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 Chair. 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 operate in compliance with all applicable provisions of this regulation.

7. The licensed Nevada pari-mutuel race 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.

8. Violation of any applicable law or regulation by an operator of a call center constitutes reasonable cause for disciplinary action.

**26C.160 Wagering communications; establishing patron wagering accounts for pari-mutuel race wagering.**

1. 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 *adopted pursuant to section 6.090 of these regulations*. Each Group II licensee that accepts wagering communications shall comply with the ~~[Regulation 6.100]~~ internal control procedures *adopted pursuant to section 6.100 of these regulations*.

2. Each book shall prepare a written description of its house rules and procedures for wagering communications, and shall make a copy available to each patron for whom a wagering account is established. Prior to adopting or amending such house rules, a book shall submit such rules to the Chair for approval.

3. A race book licensed to accept off-track pari-mutuel ~~[horse]~~ race wagers may establish wagering accounts for residents of Nevada and residents of any state or foreign jurisdiction in accordance with ~~[Regulation]~~ *section 5.225 of these regulations* and this regulation. Patrons having established a wagering account may place off-track pari-mutuel ~~[horse]~~ race wagers from within Nevada or from other states or foreign jurisdictions in which pari-mutuel ~~[horse]~~ race wagering is legal provided that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders. Before a race book accepts a wagering communication, or a call center accepts a wagering instruction, on an off-track pari-mutuel ~~[horse]~~ race, the following must occur:

(a) A race book must register the patron and create a wagering account for the patron in accordance with ~~[Regulation]~~ *section 5.225 of these regulations*, except that

a race book may confirm the patron's identity remotely if the wagering account is used solely to place off-track pari-mutuel ~~{horse}~~ race wagers.

(b) A race book shall confirm that the state or foreign jurisdiction in which the patron resides is a jurisdiction in which off-track pari-mutuel ~~{horse}~~ race wagering is legal, and that the state or foreign jurisdiction does not otherwise restrict wagering on accounts located outside its borders, prior to the book accepting wagers on such accounts. The race book shall maintain a record of such confirmation.

(c) The race book must have the patron affirm that the patron has been informed and acknowledges that, with regard to off-track pari-mutuel ~~{horse}~~ race wagers, the book may accept such wagers from patrons only when the patron is located within Nevada or other states or foreign jurisdictions in which pari-mutuel ~~{horse}~~ race wagering is legal and such wagering on accounts located outside its borders is not otherwise restricted.

4. In addition to the posting of the wager in the off-track pari-mutuel race 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 Chair. Such recordings must be made immediately available to any Board agent upon request.

5. 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.

6. A race book shall not allow the use of a wagering account established pursuant to this section for forms of wagering other than off-track pari-mutuel ~~{horse}~~ race wagering unless:

(a) The establishment and use of the wagering account otherwise meets all of the requirements of ~~{regulation}~~ *section 5.225 of these regulations*; and

(b) Administrative approval has been granted by the Chair.

**26C.170 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]~~ *section 22.1201 of these regulations*.

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, out-of-state nonpari-mutuel ~~[horse]~~ race wagers, and out of state other event wagers unless such wagers are legal in the jurisdiction from which they originate and federal law allows such wagers and the transmission of such wagers or information assisting in the placing of such 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 complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account; and

8. 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.

....

**26C.190 Wagering account transactions.** Except as otherwise provided herein, deposits, credits, and debits to wagering accounts shall be made in accordance with ~~[Regulation]~~ *section 5.225 of these regulations*.

....