

GOVERNOR'S EXECUTIVE ORDER 2023-03,
**Nevada Gaming Commission
Regulations Recommended
for Improvement and Removal**



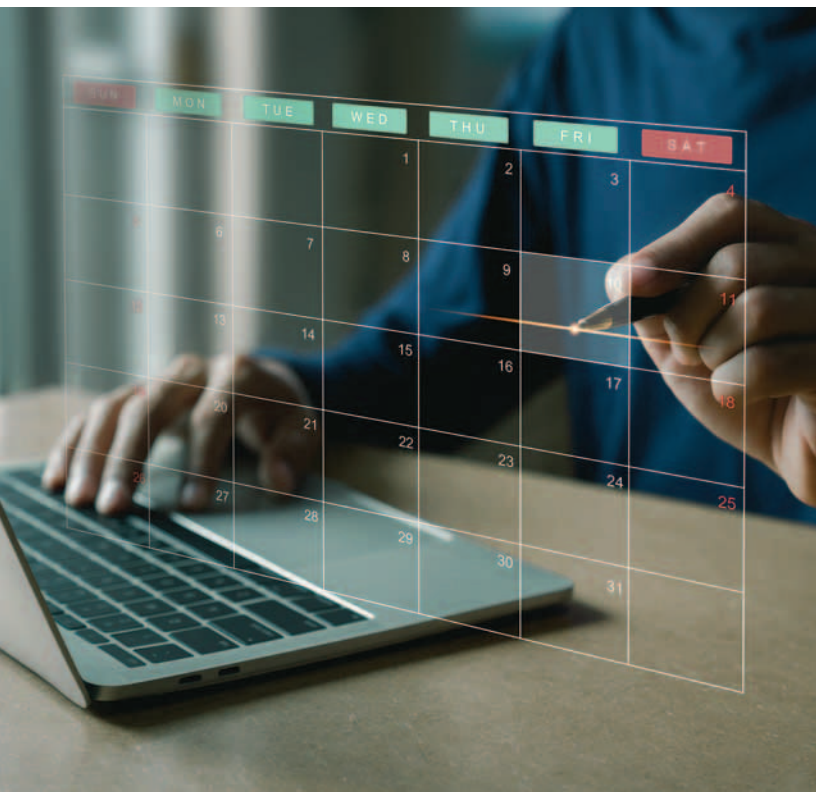


Pursuant to Governor Joe Lombardo’s Executive Order 2023-003, dated January 12, 2023, the issuance of new regulations was immediately frozen, and every executive branch department, agency, board, and commission (referred to collectively as “Agency”) was further ordered to “undertake a comprehensive review of the regulations subject to its enforcement.” Each Agency was directed to prepare and provide a report to the Governor’s office on or before May 1, 2023 detailing how the Agency’s regulations could be streamlined, clarified, reduced, or otherwise improved. The goal of such changes is to ensure those regulations “provide for the general welfare of the State without unnecessarily inhibiting economic growth.” Gov. Ex. Order 2023-003, § 1. Specifically, “[a]s part of its report, every [Agency] shall provide a list of not less than ten (10) regulations recommended for removal, ranking them in descending order of priority.” *Id.* at § 2. “Prior to submitting their respective reports, every [Agency] shall hold a public hearing, after having provided reasonable notice consistent with Chapter 233B of the Nevada Revised Statutes, to key industry stakeholders, to: (i) vet their recommended changes; (ii) solicit input as to the merits of those changes and (iii) identify other regulatory changes stakeholders feel are worthy of consideration. Stakeholder input shall be reflected in the summary of findings and recommendations included in each submitted report.” *Id.* at § 3.



On April 20, 2023, following public workshops, the Nevada Gaming Commission (“Commission”) voted unanimously to include in the report to the Governor’s Office the following Nevada Gaming Commission Regulations (“NGC Reg.”) for improvement:

- **NGC Reg. 5.110(2)** – to increase the threshold amount at which licensees are exempt from recording a progressive log on a recurring basis from \$1,200 to \$5,000; to permit all licensees to record the progressive amount at least every 7 days, so long as they have a Board-approved on-line slot metering system.
- **NGC Reg. 5.230** – to align the registration application process for “hosting centers” with other types of registrants as mandated in NGC Regulation 4.200; to make conforming changes to NGC Regulation 4.200(1) to include hosting centers currently required to register under NGC Regulation 5.230.
- **NGC Reg. 6.080(6)** – to expressly allow licensees to submit financial statements for a stub period in conjunction with the financial statements for the first full business year; to lessen the mandatory reporting requirements for which licensees must submit audited or reviewed financial statements in the event of a license or operator approval termination.
- **NGC Reg. 6.090(11)** – to modernize how licensees report amendments to their procedures and written system made since the previous annual report, and to expand those eligible to sign the amendments.
- **NGC Reg. 20.030(7)** – to update the deadline to submit monthly reports of the amounts wagered at establishments for which a disseminator supplies information used to determine winners of or payoffs on the wagers.



- **NGC Reg. 20.070(1)** – to eliminate the requirement for disseminators to submit a waiver request for financial statements issues in the event of license terminations; to allow disseminators to submit one copy of reviewed financial statements instead of two copies; to allow disseminators to submit financial statements for a stub 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.
- **NGC Reg. 23.040(3)** – to allow licensees to utilize the casino cage in lieu of a card room bank without written approval.
- **NGC Reg. 26.060** – to update the maximum total commission from pari-mutuel wagering (other than off-track) that can be deducted to 18 percent of the gross amount handled in each pari-mutuel pool, as reflected in subsection 1 of Nevada Revised Statutes (NRS) 464.040; to update the tax percentage of 3 percent that licensees pay on the total commission deducted on all pari-mutuel wagers, as reflected in subsection 3 of NRS § 464.040.

The Commission also voted unanimously to include in the report to the Governor’s Office the following regulations to be repealed or removed in descending order of priority:

- **NGC Reg. 3.100** – the requirement that nonrestricted licensees file with the Board an employee report twice a year (within 30 days of March 31st and September 30th).
- **NGC Reg. 5.215** – certain requirements to operate a system support or system-based gaming device, such as providing an access list, establishing a revolving fund, and providing monitoring equipment.
- **NGC Reg. 14.105** – the requirement for pre-installation inspection and approval to offer a system game.
- **NGC Reg. 14.210(2)** – the requirement that a restricted licensee obtains approval of a promotional device and to operate it.
- **NGC Reg. 14.170(1)(b)(2)** – the requirement to label program storage media with a product approval number.





- **NGC Reg. 14.160** – the requirement to obtain Board approval to duplicate the contents of program storage media
- **NGC Reg. 5.105(8)** – the requirement that licensees submit a monthly employee hire report to the Board.
- **NGC Reg. 5.200(3)(a)** – the requirement that a licensee provides telephonic and e-mail notification to the Board each time its gaming salon opens for play.
- **NGC Reg. 5.025** – the requirement that keno games with a payout of more than \$250,000 obtain administrative approval.
- **NGC Reg. 6.090(2)(e)** – the requirement that applicants submit an attestation letter from an independent accountant regarding the internal controls during the licensing process.
- **NGC Reg. 5.225(19)** – the requirement that licensees submit wagering account rules for approval prior to implementation.
- **NGC Reg. 5 Surveillance Standards for Nonrestricted Licensees:**
 - (i) Standard 1.010(5) – definition of “slot change booth”
 - (ii) Standard 1(2) – the requirement for surveillance of each slot change booth
 - (iii) Standard 12(9) – the requirement for immediate written notification to the Board’s Enforcement Division if the licensee changes its surveillance system from an analog to DVR format
- **NGC Reg. 5.180(2)(f)** – the requirement that a licensee maintains specific equipment for the Board to monitor the operation of an inter-casino linked system.
- **NGC Reg. 6.118(4)** – language indicating that credit applications and credit instruments issued by licensees before 2006 do not need to contain certain wording. ■

Information compiled by Jeff Rodefer