

I. INTRODUCTION

Nearly 25 years ago, the tech magazine InfoWorld published an article describing how “IBM and Apple Computer, the David and Goliath of microcomputer manufacturers are “learning valuable techniques and strategies from each other to court the favor of independent third-party software developers” Both IBM and Apple realized that by allowing third parties to develop new applications for their products, such development would extend the usefulness and market penetration of their products without the expenses of time and effort required to experiment with an almost limitless number of ideas.

Outside of gaming, third-party software development has affected nearly every corner of the technology world. Android and I-Phone apps proliferate daily as a result of third-party development; EBay has third-party applications ranging from one that automates a seller’s listings to another that helps price new merchandise; Google encourages software developers to “create online programs using Google applications like Google Maps to entrench its applications as a dominant standard.”ⁱ

Despite their unique exterior, slot machines of today are often no different than a computer or the latest smartphone--they are processor-driven devices running various game programs. The same competitive pressures that caused Apple and IBM to see the importance of harnessing the resource savings and creativity of third-party software developers twenty-five years ago have caused slot machine manufacturers to do the same.ⁱⁱ

Traditionally, Nevada gaming regulators recognize the usefulness of third party developers for manufacturing licensees, while also recognizing the regulatory tension with pre-existing Nevada law that did not anticipate unlicensed third party game development for gaming devices. The Nevada legislature responded to the concerns of the regulators and the gaming device manufacturing industry by making changes to NRS 463. These statutory changes have in turn resulted in major changes to Nevada Gaming Regulation 14, by creating a structure for independent contractor registration with the Nevada Gaming Control Board. This new registration process allows third-party developers to develop certain new games and game elements with licensed manufacturers without a mandatory requirement that the third-party developer also be licensed. Manufacturers in Nevada are required to submit to the rigorous and oftentimes invasive licensing process required of applicants for a nonrestricted gaming license; thus, the “call forward” registration process for third-party developers is an important concession on the part of the Board for allowing the innovation necessary for manufacturers to remain competitive. This article provides a summary of the registration requirements and process.

II. REGULATION

The new Regulation 14 contains a series of nested definitions that are critical to understanding the regulation. First, Nevada Gaming Regulation 14.021 requires that:

1. An independent contractor whose software, source language or executable code has been compiled into the *control program* of a new gaming device or a modification to a gaming device submitted for approval must register with the board. The approval of the new gaming device or the modification to a gaming device will not be completed until such registration has been reviewed by the board.ⁱⁱⁱ

Regulation 14.010(11) defines “independent contractor” as any person who:

- (a) Is not an employee of a licensed manufacturer; and
- (b) Pursuant to an agreement with a licensed manufacturer:
 - (1) Designs, develops, programs, produces or composes a control program on behalf of the licensed manufacturer; or
 - (2) Designs, develops, produces or composes software, source language or executable code intended to be compiled into a control program by the licensed manufacturer. As used in this regulation “licensed manufacturer” includes any affiliate that is owned or controlled by or under common control with the licensee.

Central to this new regulation is the definition of “control program,” defined as:

14.010(4). "Control Program" means any software, source language or executable code which affects the result of a wager by determining win or loss. The term includes, but is not limited to, software, source language or executable code associated with the:

- (a) Random number generation process;
- (b) Mapping of random numbers to game elements displayed as part of game outcome;
- (c) Evaluation of the randomly selected game elements to determine win or loss;
- (d) Payment of winning wagers;
- (e) Game recall;
- (f) Game accounting including the reporting of meter and log information to on-line slot metering system;
- (g) Monetary transactions conducted with associated equipment;
- (h) Software verification and authentication functions which are specifically designed and intended for use in a gaming device;
- (i) Monitoring and generation of game tilts or error conditions; and
- (j) Game operating systems which are specifically designed and intended for use in a gaming device.

During a June 2010 Nevada Gaming Control workshop, Travis Foley, Technology Chief for the Nevada Gaming Control Board, provided examples of several of the key elements of a control program, listed in the above regulation:

Payment of winning wagers. “For example: The process in which the gaming device determines the award value of the winning wager and pays the award out to the credit meter or by any other means.”

Game Recall. “For example: The process in which the gaming device records and displays previous game outcomes. This includes how much was wagered, won, outcome, money inserted, money available for wagering, and credits cashed out. This also includes monetary transactions with associated equipment, i.e., vouchers and wagering accounts.”

Game accounting including the reporting of meter and log information to on-line slot metering system. “For example: The process in which meter information is recorded on the gaming device and subsequently reported to an on-line slot metering system.”

Monetary transactions conducted with associated equipment. “For example: the process in which a gaming device communicates with a bill acceptor, voucher printer, or cashless wagering system to transfer monetary value to and from the gaming device.”

Software verification and authentication functions which are specifically designed and intended for use in a gaming device. “For example: The process in which the gaming device ensures that the control programs are valid and authentic. This only includes programs that are specifically designed for use in a gaming device.”

Monitoring and generation of game tilts or error conditions. “For example: The process in which the gaming device detects and reports tilts and error conditions to the patron, operator, and the regulator.”

Game operating systems which are specifically designed and intended for use in a gaming device. “For example: The operating system is [a] set of programs which are responsible for the management and coordination of activities and the sharing of the resources of the gaming device. It also acts as a host for all programs that run on the gaming device.”

III. REGISTRATION

The Nevada Gaming Control Board will accept independent contractor registration materials at any time beginning June 14, 2010. There is no fee for processing a packet. Under Regulation 14.021(2), a complete registration packet consists of:

1. **A completed Personal History Record (“PHD”).** Where a third-party software development company is registering, each key employee, director-level employee, and/or managing executive must submit the PHD, which requires the following information:
 - General information.
 - Personal information, including indentifying information.
 - Residence history for the past 5 years.
 - Employment history for the past 10 years.
 - Arrest information, including specific information for felonies or crimes of moral turpitude. The Board may request specific information for any event of arrest.
 - List of privileged or professional licenses ever held, including any disciplinary action taken.

Each PHD must be accompanied by a completed Request to Release Information form.

2. **Business Arrangement Information.** Parties submitting the registration packet must submit as an attachment to the materials a true and complete copy of the executed business contract. Where the registering party is a business organization or association, it must also provide employee information, including a list of the names with associated dates and places of birth for each natural person employed by the independent contractor who was involved in the design, development, production, or composition of the software triggering the registration event.

Once the Nevada Gaming Control Board determines that the registration materials are complete, it will issue a Letter of Registration to the independent contractor stating that the contractor is registered with the Board. The Board will also provide written notice to the registering party where the application is incomplete. It is important to note that prior to issuing the Letter of Registration, the Board reserves the right to request additional information.

Pursuant to Nevada Gaming Regulation 14.021(1) and (4), approval of a gaming device or modification using independent contractor work product will not be completed until the independent contractor has completed the registration process and the Letter of Registration has been issued. Still, registration is not required until the gaming device or modification to a gaming device into which third-party software, source language or executable code is compiled is submitted to the Technology Division of the Board. As a result, registration does not capture third parties simply developing gaming device concepts.

Independent contractors working for multiple licensed manufacturers must only register once with the Board, although changes in the working relationships between the parties may require new filings. After the initial registration is filed, independent contractors are required to submit any changes in the registration materials to the Board annually by

January 15th. Failure to submit such notice to the Board within 90 days of the annual deadline will result in the lapse of the registration.^{iv}

Regulation 14.021(7) states: “Upon a showing of good cause, the chairman or his designee may waive the registration requirements . . . [a]ny request for such a waiver must be in writing and submitted by the licensed manufacturer,” rather than the independent contractor. The Board has also included a grandfather clause in the regulation, providing that:

Until June 30, 2011, the registration requirement of subsection 1 of this regulation will not apply to an independent contractor performing work pursuant to a statement of work entered into with a licensed manufacturer prior to July 1, 2010, so long as the statement of work is not modified on or after July 1, 2010. Beginning July 1, 2011, the registration requirement . . . will apply to all independent contractors regardless of the date of any statements of work.^v

The registration materials submitted by independent contractors are deemed confidential under Nevada law and upon inquiry, the Board will only disclose whether or not the independent contractor is registered. As public information, the Board will publish a list of those independent contractors registered with the Board.

V. MANUFACTURER RESPONSIBILITIES

Regulation 14.023 imposes on licensed manufacturers the requirement that any agreement between them and an independent contractor provide for termination without any continuing obligation of the manufacturer in the event the independent contractor:

1. Refuses to respond to information requests from the board;
2. Fails to file an application for a finding of suitability as required by the commission; or
3. Is found unsuitable by the commission.

Under Regulation 14.024, licensed manufacturers must:

1. [C]omplete a review of any software, source language or executable code designed, developed, produced or composed by an independent contractor for compliance with all applicable regulations and technical standards of the commission and board prior to submission to the board; and
2. Maintain records of the software, source language or executable code that was designed, developed, produced or composed by an independent contractor, by contractor name.

The licensed manufacturer must retain the records for a minimum of five years, unless the Chairman provides otherwise in writing. Moreover, when submitting a modification, manufacturers must provide a “listing of all independent contractors and a description of

the software, source language or executable code compiled into the control program that is designed or developed by the independent contractor.”^{vi}

VI. CONCLUSION

The new regulations for independent game development contractors are an important step in the maturation of the Nevada gaming device industry and its regulation. The process is the result of addressing the needs of industry to harness the broad-based talent of third-party developers with the regulators’ need to maintain regulatory oversight over the creation and manufacture of gaming devices.

As the registration process may be the foundation for further regulatory investigation or licensing, great care should be given to ensuring that all information provided through registration is true, accurate, consistent and complete. Given the importance of the registration and the potential uses of such information, third-party developers and manufactures may want to consult with experienced gaming counsel to manage the inherent risks of registration.

ⁱ Damon Darlin, EBay Expected to end Fees for Third-Party Developers,” N.Y. Times, Nov. 14, 2005, available at <http://www.nytimes.com/2005/11/14/business/14ebay.html>.

ⁱⁱ In Nevada, slots generated over \$7.2 billion and were responsible for over 68% of total casino revenue in 2009 for licencees with total revenue greater than \$1 million. (See Nevada Gaming Abstract 2009). For perspective, consider that in 1993, slots generated \$3.9 billion and accounted for just under 63% of total casino revenue for the same group. (See Nevada Gaming Abstract 1993).

ⁱⁱⁱ Emphasis added.

^{iv} Nevada Gaming Regulation 14.021(5).

^v Nevada Gaming Regulation 14.021(6).

^{vi} Nevada Gaming Regulation 14.110(3)(e).

**PERSONAL HISTORY RECORD
INDEPENDENT CONTRACTOR REGISTRATION FORM**

Date _____

INSTRUCTIONS

Handprint or type an answer to every question. If a question does not apply to you, so state with N/A. If space available is insufficient, continue on supplemental page or use a separate sheet and precede each answer with the appropriate title. Do not misstate or omit any material fact(s) as each statement made herein is subject to verification. Registrant must initial each page, as provided in lower right hand corner. By placing his/her initials on each page, the registrant is attesting to the accuracy and completeness of the information contained on that page.

All registrants are advised that this Personal History Record is an official document and misrepresentation or failure to reveal information requested may be deemed to be sufficient cause for the refusal or call forward for finding of suitability regarding the registrant.

A personal history record must be completed by each Managing Executive, Director level employee and/or Key Employee of the developing company.

FOR OFFICE USE ONLY

Evaluator: _____

Date: _____

Notes: _____

1. GENERAL INFORMATION

Name of Independent Contractor's business _____

Address of Independent Contractor's business _____

2. PERSONAL INFORMATION

Last Name (Include Sr., Jr., etc., if applicable)	First Name	Middle Name
---	------------	-------------

Alias(es, Nicknames, Maiden Name, Other Name Changes, Legal or Otherwise) _____

Home Address: Since _____ (Date)	Apt. #	City/Town	State	Zip Code
Mailing Address (If Different Than Home Address)	Apt. #	City/Town	State	Zip Code
Present Business Name/Address: Since _____ (Date)		City/Town	State	Zip Code

Telephone Numbers: Residence: (____) ____-____ Business: (____) ____-____ Cellular: (____) ____-____ Fax: (____) ____-____	Occupation E-Mail Address (Optional)
--	---

Date of Birth (Month/Day/Year)	Age	Place of Birth (City/County/State)	Social Security No./Foreign I.D. No.
--------------------------------	-----	------------------------------------	--------------------------------------

Country of citizenship _____ If a non-U.S. citizen, Registration No. _____

If naturalized U.S. citizen, Certificate No. _____ Date _____

Place _____ (If Naturalized, document must be verified.)

Applicant's Initial _____

3. RESIDENCES

Beginning with your current residence, list all residences you have had for the last 5 years:

Month and Year (From – To)	Street and Number	City	State or County
-			
-			
-			
-			
-			
-			
-			
-			
-			
-			

4. EMPLOYMENT

Beginning with your current employment, list your work history, all businesses with which you have been involved, for the past 10 years.

Month and Year (From – To)	Name/Mailing Address/Type of Business/Phone Number	Is Business Incorporated? Yes <input type="checkbox"/> No <input type="checkbox"/>	Reason for Leaving
-			
Title	Description of Duties	Name of Supervisor/Title	Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/>
Month and Year (From – To)	Name/Mailing Address/Type of Business/Phone Number	Is Business Incorporated? Yes <input type="checkbox"/> No <input type="checkbox"/>	Reason for Leaving
-			
Title	Description of Duties	Name of Supervisor/Title	Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/>
Month and Year (From – To)	Name/Mailing Address/Type of Business/Phone Number	Is Business Incorporated? Yes <input type="checkbox"/> No <input type="checkbox"/>	Reason for Leaving
-			
Title	Description of Duties	Name of Supervisor/Title	Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/>
Month and Year (From – To)	Name/Mailing Address/Type of Business/Phone Number	Is Business Incorporated? Yes <input type="checkbox"/> No <input type="checkbox"/>	Reason for Leaving
-			
Title	Description of Duties	Name of Supervisor/Title	Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/>
Month and Year (From – To)	Name/Mailing Address/Type of Business/Phone Number	Is Business Incorporated? Yes <input type="checkbox"/> No <input type="checkbox"/>	Reason for Leaving
-			
Title	Description of Duties	Name of Supervisor/Title	Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/>
Month and Year (From – To)	Name/Mailing Address/Type of Business/Phone Number	Is Business Incorporated? Yes <input type="checkbox"/> No <input type="checkbox"/>	Reason for Leaving
-			
Title	Description of Duties	Name of Supervisor/Title	Gaming Present: Yes <input type="checkbox"/> No <input type="checkbox"/>

5. ARREST INFORMATION

Arrests: (List all arrests regardless of disposition, expunged or sealed.)

Have you ever been arrested for any criminal offense involving a felony or crime of moral turpitude regardless of the disposition of the event? Yes No

Date of Arrest	Age	Charge	Location – City and State	Disposition and Date	Arresting Agency

Provide specific details of any arrests you have listed above.

6. Have you ever held a privileged or professional license in any state, including but not limited to the following:

- | | | | | |
|--------------------------------|-----------------|---------------------------|-------------------|-----------|
| Liquor | Lawyer | Race horse/race dog owner | Securities dealer | Insurance |
| Real estate broker or salesman | Doctor | Jockey | Contractor | Gaming |
| Accountant | Boxing promoter | Trainer or manager | Pilot | |
- Yes No

If yes, state types, where, dates held, and the nature of any disciplinary actions taken against you:

7. Have you ever been refused or denied a gaming license or related finding of suitability or been a participant in any group which has been refused or denied a gaming license or related finding of suitability? Yes No

If yes, state where, when, and for what reason.

8. Have you ever been granted a gaming license or been a participant in any group which has been issued a gaming license by the State of Nevada? Yes No

If yes, state type of license, name of establishment, location, and period held.

STATE OF _____ }
COUNTY OF _____ } ss.

I, _____, being duly sworn, depose and say that I have read the foregoing
(Registrant's Name)
Registration for Filing of Independent Contractor and know the contents thereof; that the statements contained herein are true and correct and contain a full and true account of the information requested; **that I executed this statement with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for denial or revocation of my registration as an independent contractor**; that I am voluntarily submitting this application with full knowledge that Nevada Revised Statutes 463.140(5) provides "any person making false oath in any matter before either the Board or Commission is guilty of perjury."; and, further, that I have familiarized myself with the contents of the Nevada Gaming Control Act, as amended, and the Regulations of the Nevada Gaming Commission as promulgated thereunder and agree, if registered, to abide thereby.

I hereby agree to cooperate with requests, inquires, or investigations of the State Gaming Control Board and the Nevada Gaming Commission.

I hereby acknowledge that the Nevada Gaming Commission may demand that the I submit an application for a finding of suitability as an independent contractor, and that my failure to submit such an application within 30 days of the demand may constitute grounds for a finding of unsuitability by the commission.

I hereby expressly waive release, and forever discharge the State of Nevada, the licensing agency and their agents from any and all manner of action and causes of action whatsoever which I, my administrators or executors can, shall, or may have against the State of Nevada, the licensing agency and their agents, as a result of my registering as an independent contractor in the State of Nevada.

Signature of Registrant

SUBSCRIBED AND SWORN TO BEFORE ME

THIS _____ DAY OF _____, _____

Signature of Notary Public

(SEAL/STAMP)

Applicant's Initial _____

STATE GAMING CONTROL BOARD

INSTRUCTIONS FOR REGISTERING AS AN INDEPENDENT CONTRACTOR

The following instructions are provided to guide users seeking registration as an independent contractor under Regulation 14. The complete requirements of those seeking independent contractor registration should refer to Regulation 14 but may use these instructions to minimize the number of returned filings due to incorrect and/or incomplete information and to clarify any misunderstanding on how to complete the forms. All registration requests must include all applicable forms and documents described section III and IV of these instructions to be considered complete.

NOTE: The following instructions **DO NOT** apply to independent contractors required by the Nevada Gaming Commission to file an application for a determination of suitability. If the Commission makes such a determination, the independent contractor will be notified in writing.

I. DEFINITIONS

Regulation 14 defines **independent contractor** as any person who:

- (a) Is not an employee of a licensed manufacturer; and
- (b) Pursuant to an agreement with a licensed manufacturer:
 - (1) Designs, develops, programs, produces or composes a control program on behalf of the licensed manufacturer; or
 - (2) Designs, develops, produces or composes software, source language or executable code intended to be compiled into a control program by the licensed manufacturer.

As used in this regulation "licensed manufacturer" includes any affiliate that is owned or controlled by or under common control with the licensee.

Regulation 14 defines **control program** as any software, source language or executable code which affects the result of a wager by determining win or loss. The term includes, but is not limited to, software, source language or executable code associated with the:

- (a) Random number generation process;
- (b) Mapping of random numbers to game elements displayed as part of game outcome;
- (c) Evaluation of the randomly selected game elements to determine win or loss;
- (d) Payment of winning wagers;
For example: The process in which the gaming device determines the award value of the winning wager and pays the award out to the credit meter or by any other means.
- (e) Game recall;
For example: The process in which the gaming device records and displays previous game outcomes. This includes the how much was wagered, won, outcome, money inserted, money available for wagering, and credits cashed out. This also includes monetary transactions with associated equipment i.e. vouchers and wagering accounts.
- (f) Game accounting including the reporting of meter and log information to on-line slot metering system;
For example: The process in which meter information is recorded on the gaming device and subsequently reported to an on-line slot metering system.
- (g) Monetary transactions conducted with associated equipment;

INSTRUCTIONS FOR REGISTERING AS AN INDEPENDENT CONTRACTOR
7/2010

For example: The process in which a gaming device communicates with a bill acceptor, voucher printer, or cashless wagering system to transfer monetary value to and from the gaming device.

(h) Software verification and authentication functions which are specifically designed and intended for use in a gaming device;

For example: The process in which the gaming device ensures that the control programs are valid and authentic. This only includes programs that are specifically designed for use in a gaming device.

(i) Monitoring and generation of game tilts or error conditions; and

For example: The process in which the gaming device detects and reports tilts and error conditions to the patron, operator, and the regulator.

(j) Game operating systems which are specifically designed and intended for use in a gaming device.

For example: The operating system is set of programs which are responsible for the management and coordination of activities and the sharing of the resources of the gaming device. It also acts as a host for all programs that run on the gaming device.

II. REGISTRATION

New registration: Independent contractor registration materials can be submitted to the GCB at any time beginning June 14, 2010. However, an independent contractor whose software, source language or executable code has been compiled into the control program of a new gaming device or a modification to a gaming device **is not required** to register until a submission has been made to the Technology Division.

Approval of a gaming device or modification using Independent Contractor work product will not be completed until registration has been considered complete and a registration letter has been issued.

Independent contractors providing work product to multiple licensed manufacturers must only register once with the Gaming Control Board (GCB). Please be aware that changes in partnerships or working relationships may require new filings.

Registration notice: When the GCB makes a determination that all of the required elements of a registration package are complete a "Letter of Registration" will be mailed to applicant stating that the independent contractor is registered with the agency. In cases where registration materials are not complete, the GCB will provide written notice that further material or modification is required.

Registration renewal: Following initial registration, Independent Contractors are required to provide in writing a notice to the GCB of changes to the registration materials or that no changes to the materials are necessary by January 15th. A failure by an Independent Contractor to provide this written notice within 90 days of the annual deadline will result in the lapse of the registration.

Registration Waiver: From time to time, licensed manufacturers may determine that registration of an Independent Contractor may not be necessary, may not clearly fit within the regulation, or for other reasons may wish to seek a waiver from the requirements of Regulation 14. Upon a showing of good cause, the chairman or his designee may waive the

**INSTRUCTIONS FOR REGISTERING AS AN INDEPENDENT CONTRACTOR
7/2010**

registration requirements of section 1. Any request for such a waiver must be in writing and submitted by the licensed manufacturer.

Registration Inquiry: The registration materials provided by Independent Contractors are deemed confidential under Nevada law and inquiry from licensed manufacturers will be limited to whether the Independent Contractor is registered or not registered.

III. FORMS:

- A. Personal History Record – In the case of a company, personal history record must be completed by each Executive, Director and/or Key Employee of the developing company.
1. General Information – provide requested information.
 2. Personal Information - provide all requested information. If the individual is a naturalized U.S. citizen, provide a certified naturalization document. If not a U.S. citizen, provide the alien registration.
 3. Residences – provide requested information for previous 5 years and include current residence.
 4. Employment – include all requested information for the past 10 years.
 5. Arrest Information – provide all requested information for criminal offenses involving a felony or crime of moral turpitude. Additionally provide the specific details for any listed event.
 6. List any privileged or professional license ever held. State where, when, and the nature of any disciplinary action taken. (If no disciplinary action, “None” should be indicated).
 7. Answer question and provide applicable details.
 8. Answer question and provide applicable details.

B. Request to Release Information (Release)

“To” line – leave blank (no white out)

“From” line – provide IC’s name

Complete the date and place at time of Independent Agent/Applicant’s signature. If individual is married, the spouse must also sign the Release. Both signatures must be notarized.

**INSTRUCTIONS FOR REGISTERING AS AN INDEPENDENT CONTRACTOR
7/2010**

IV. BUSINESS ARRANGEMENT DOCUMENTS:

- A. Registrants must provide a summary and a true and complete copy of the executed business contract as an attachment to its registration materials.
- B. Registrants must provide employee information. List the names, and date and place of birth of the natural person employed by the independent contractor who designed, developed, programmed, produced or composed the software, source language or executable code that has been compiled into the control program of a new gaming device or of a modification to a gaming device submitted for approval

V. INVESTIGATION/REGISTRATION FEE(S)

There is no fee for the processing of an independent contractor registration packet.

VI. SUBMISSION

Registration materials should be mailed to:

State Gaming Control Board
ATTN: INDEPENDENT CONTRACTOR REGISTRATION
Technology Division
750 Pilot Road Suite H
Las Vegas, NV 89119

NRS 463.0155 “Gaming device” defined. “Gaming device” means any object used remotely or directly in connection with gaming or any game which affects the result of a wager by determining win or loss and which does not otherwise constitute associated equipment. The term includes, without limitation:

1. A slot machine.
2. A collection of two or more of the following components:
 - (a) An assembled electronic circuit which cannot be reasonably demonstrated to have any use other than in a slot machine;
 - (b) A cabinet with electrical wiring and provisions for mounting a coin, token or currency acceptor and provisions for mounting a dispenser of coins, tokens or anything of value;
 - (c) A storage medium containing a control program;
 - (d) An assembled mechanical or electromechanical display unit intended for use in gambling; or
 - (e) An assembled mechanical or electromechanical unit which cannot be demonstrated to have any use other than in a slot machine.
3. Any object which may be connected to or used with a slot machine to alter the normal criteria of random selection or affect the outcome of a game.
4. A system for the accounting or management of any game in which the result of the wager is determined electronically by using any combination of hardware or software for computers.
5. A control program.
6. Any combination of one of the components set forth in paragraphs (a) to (e), inclusive, of subsection 2 and any other component which the Commission determines by regulation to be a machine used directly or remotely in connection with gaming or any game which affects the results of a wager by determining a win or loss.
7. Any object that has been determined to be a gaming device pursuant to regulations adopted by the Commission.

↳ As used in this section, “control program” means any software, source language or executable code which affects the result of a wager by determining win or loss as determined pursuant to regulations adopted by the Commission.

(Added to NRS by 1967, 1039; A 1981, 1074; 1985, 2135; 1993, 307; [2009, 274](#))

NRS 463.650 License required for manufacture, selling or distribution of gaming device, cashless wagering system, mobile gaming system or interactive gaming system; exceptions; applicability of [NRS 463.482 to 463.645](#), inclusive; regulations relating to independent contractors.

1. Except as otherwise provided in subsections 2 to 5, inclusive, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to operate, carry on, conduct or maintain any form of manufacture, selling or distribution of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada or for distribution outside of Nevada without first procuring and maintaining all required federal, state, county and municipal licenses.

2. A lessor who specifically acquires equipment for a capital lease is not required to be licensed under this section or [NRS 463.660](#).

3. The holder of a state gaming license or the holding company of a corporation, partnership, limited partnership, limited-liability company or other business organization holding a license may, within 2 years after cessation of business or upon specific approval by the Board, dispose of by sale in a manner approved by the Board, any or all of its gaming devices, including slot machines, mobile gaming systems and cashless wagering systems, without a distributor’s license. In cases of bankruptcy of a state gaming licensee or foreclosure of a lien by a bank or other person holding a security interest for which gaming devices are security in whole or in part for the lien, the Board may authorize the disposition of the gaming devices without requiring a distributor’s license.

4. The Commission may, by regulation, authorize a person who owns:

- (a) Gaming devices for home use in accordance with [NRS 463.160](#); or
- (b) Antique gaming devices,

↳ to sell such devices without procuring a license therefor to residents of jurisdictions wherein ownership of such devices is legal.

5. Upon approval by the Board, a gaming device owned by:

- (a) A law enforcement agency;
 - (b) A court of law; or
 - (c) A gaming device repair school licensed by the Commission on Postsecondary Education,
- ↳ may be disposed of by sale, in a manner approved by the Board, without a distributor's license. An application for approval must be submitted to the Board in the manner prescribed by the Chair.

6. Any person who the Commission determines is a suitable person to receive a license under the provisions of this section and [NRS 463.660](#) may be issued a manufacturer's or distributor's license. The burden of proving his or her qualification to receive or hold a license under this section and [NRS 463.660](#) is at all times on the applicant or licensee.

7. Every person who must be licensed pursuant to this section is subject to the provisions of [NRS 463.482](#) to [463.645](#), inclusive, unless exempted from those provisions by the Commission.

8. The Commission may exempt, for any purpose, a manufacturer, seller or distributor from the provisions of [NRS 463.482](#) to [463.645](#), inclusive, if the Commission determines that the exemption is consistent with the purposes of this chapter.

9. The Commission may provide by regulation for:

(a) The filing by a manufacturer of reports and information regarding:

(1) Any independent contractor; and

(2) The business arrangements between the manufacturer and an independent contractor.

(b) Registration of independent contractors.

(c) Procedures pursuant to which an independent contractor may be required to file an application for a finding of suitability.

(d) Such other regulatory oversight of independent contractors as the Commission determines is necessary and appropriate.

10. As used in this section:

(a) "Antique gaming device" means a gaming device that was manufactured before 1961.

(b) "Holding company" has the meaning ascribed to it in [NRS 463.485](#).

(c) "Independent contractor" means, with respect to a manufacturer, any person who:

(1) Is not an employee of the manufacturer; and

(2) Pursuant to an agreement with the manufacturer, designs, develops, programs, produces or composes a control program used in the manufacture of a gaming device. As used in this subparagraph, "control program" has the meaning ascribed to it in [NRS 463.0155](#).

(Added to NRS by 1967, 1596; A 1969, 651; 1977, 1425, 1441, 1445; 1981, 1101; 1983, 1206; 1989, 405, 970; 1993, 314, 829, 831, 2010; 1995, 762; 1997, 3508; [2001, 3091](#); [2003, 20th Special Session, 14](#); [2005, 719](#); [2007, 1119](#); [2009, 288](#))

REGULATION 14

MANUFACTURERS, DISTRIBUTORS, OPERATORS OF INTER-CASINO LINKED SYSTEMS, GAMING DEVICES, NEW GAMES, INTER-CASINO LINKED SYSTEMS, ON-LINE SLOT METERING SYSTEMS, CASHLESS WAGERING SYSTEMS AND ASSOCIATED EQUIPMENT

- 14.010 Definitions.
 - 14.020 License required; applications.
 - 14.021 Independent contractors; registration.
 - 14.0215 Determination of suitability.
 - 14.023 Manufacturer's agreements with independent contractors.
 - 14.024 Manufacturer's responsibilities for independent contractors.
 - 14.025 Certain themes prohibited in association with gaming devices or slot machines.
 - 14.030 Approval of gaming devices and the operation of new inter-casino linked systems; applications and procedures.
 - 14.040 Minimum standards for gaming devices.
 - 14.045 Minimum standards for inter-casino linked systems.
 - 14.050 Technical standards.
 - 14.060 Employment of individual to respond to inquiries from the board.
 - 14.070 Board evaluation of new gaming devices.
 - 14.075 Board evaluation of inter-casino linked systems.
 - 14.080 Field test of new gaming devices and new inter-casino linked systems.
 - 14.090 Certification by manufacturer.
 - 14.100 Final approval of new gaming devices and new inter-casino linked systems.
 - 14.105 Installation of a system based game or a system supported game.
 - 14.110 Approval to modify gaming devices or inter-casino linked systems; applications and procedures.
 - 14.120 Board evaluation of modifications.
 - 14.130 Field test of modified gaming devices and modified inter-casino linked systems.
 - 14.140 Final approval of modifications.
 - 14.150 Conversions.
 - 14.160 Duplication of program storage media.
 - 14.170 Marking, registration, and distribution of gaming devices.
 - 14.180 Approval to distribute gaming devices out of Nevada; applications and procedures.
 - 14.190 Approval to sell or dispose of gaming devices.
 - 14.200 Maintenance of gaming devices.
 - 14.210 Approval of promotional devices; applications and procedures.
 - 14.220 Summary suspension of approval of gaming devices and inter-casino linked systems.
 - 14.230 Approval of new games and game variations; applications and procedures.
 - 14.240 Field trials of new games and game variations.
 - 14.250 Final approval of new games.
 - 14.260 Approval of associated equipment; applications and procedures.
 - 14.270 Board evaluation of associated equipment.
 - 14.280 Field trial of associated equipment.
 - 14.290 Installation of associated equipment.
 - 14.300 Maintenance of associated equipment.
 - 14.310 Retention of records.
 - 14.320 Sale of antique gaming devices.
 - 14.330 Sale of slot machines displayed or used in a private residence.
 - 14.340 Display and marketing of gaming devices by unlicensed entities.
- Technical Standards for Gaming Devices and On-Line Slot Systems

14.010 Definitions. As used in this regulation, unless the context otherwise requires:

1. "Assume Responsibility" means to acquire complete control over, or ownership of, a gaming device, cashless wagering system, mobile gaming system or interactive gaming system.
2. "Cashless wagering system" means the collective hardware, software, communications technology, and other associated equipment used to facilitate wagering with other than chips, tokens or legal tender of the United States. The term does not include any race and sports computerized bookmaking system that accepts pari-mutuel wagers, or any other race and sports book systems that do not accept wagering instruments or process electronic money transfers. This type of associated equipment is further defined in NRS 463.014.
3. "Chairman" means the chairman or other member of the state gaming control board.
4. "Control Program" means any software, source language or executable code which affects the result of a wager by determining win or loss. The term includes, but is not limited to, software, source language or executable code associated with the:
 - (a) Random number generation process;
 - (b) Mapping of random numbers to game elements displayed as part of game outcome;

- (c) Evaluation of the randomly selected game elements to determine win or loss;
 - (d) Payment of winning wagers;
 - (e) Game recall;
 - (f) Game accounting including the reporting of meter and log information to on-line slot metering system;
 - (g) Monetary transactions conducted with associated equipment;
 - (h) Software verification and authentication functions which are specifically designed and intended for use in a gaming device;
 - (i) Monitoring and generation of game tilts or error conditions; and
 - (j) Game operating systems which are specifically designed and intended for use in a gaming device.
5. "Conversion" means a change in a gaming device from one pre-approved configuration to another pre-approved configuration or from one approved mode of play to another approved mode of play.
6. "Distribution" or "distribute" means:
- (a) The sale, offering for sale, lease, offering for lease, licensing or other offer of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system for use or play in Nevada; or
 - (b) The sale, offering for sale, lease, offering for lease or other offer of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system from a location within Nevada.
7. "Distributor" means a person or entity that distributes any gaming device, cashless wagering system, mobile gaming system or interactive gaming system.
8. "Distributor of associated equipment" is any person that sells, offers to sell, leases, offers to lease, licenses, markets, offers, or otherwise offers associated equipment in Nevada for use by licensees.
9. "Game outcome" is the final result of the wager.
10. "Game variation" means a change or alteration in a game or gambling game that affects the manner or mode of play of an approved game. This includes, but is not limited to, the addition or removal of wagering opportunities or a change in the theoretical hold percentage of the game. The term game or gambling game is defined in NRS 463.0152.
11. "Independent contractor" means any person who:
- (a) Is not an employee of a licensed manufacturer; and
 - (b) Pursuant to an agreement with a licensed manufacturer:
 - (1) Designs, develops, programs, produces or composes a control program on behalf of the licensed manufacturer; or
 - (2) Designs, develops, produces or composes software, source language or executable code intended to be compiled into a control program by the licensed manufacturer.
- ➔ As used in this regulation "licensed manufacturer" includes any affiliate that is owned or controlled by or under common control with the licensee.
12. "Inter-casino linked system" means an inter-casino linked system including the collective hardware, software, communications technology and other associated equipment used to link and monitor games or devices located at two or more licensed gaming establishments. Systems that solely record a patron's wagering activity among affiliated properties are not inter-casino linked systems. This term is further defined in NRS 463.01643.
13. "Inter-casino linked system modification" means a change or alteration to an inter-casino linked system made by an operator who has been previously approved by the commission to operate that system. With regard to inter-casino linked systems that link progressive payout schedules, the term includes, but is not limited to:
- (a) A change in a system name or theme; or
 - (b) A change in gaming device denomination.
14. "Manufacture" means:
- (a) To manufacture, produce, program, design, control the design of, maintain a copyright over or make modifications to a gaming device, cashless wagering system, mobile gaming system or interactive gaming system;
 - (b) To direct, control or assume responsibility for the methods and processes used to design, develop, program, assemble, produce, fabricate, compose and combine the components and other tangible objects of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system; or
 - (c) To assemble, or control the assembly of, a gaming device, cashless wagering system, mobile gaming system or interactive gaming system.
15. "Manufacturer" means a person who operates, carries on, conducts or maintains any form of manufacture.

16. "Manufacturer of associated equipment" is any person that manufactures, assembles, or produces any associated equipment, including inter-casino linked systems, for use in Nevada by licensees.

17. "Mobile gaming system" or "system" means a system that allows for the conduct of games through mobile communications devices operated solely within a public area of the licensed gaming establishment by the use of communications technology that allows a patron to bet or wager, and corresponding information related to the display of the game, gaming outcomes or other similar information.

18. "Mobile gaming system modification" means any change or alteration to a mobile gaming system made by a manufacturer from its approved configuration.

19. "Modification" means a change or alteration in a gaming device previously approved by the commission for use or play in Nevada that affects the manner or mode of play of the device. The term includes a change to control or graphics programs and, except as provided in paragraphs (d) and (e), in the theoretical hold percentage. The term does not include:

- (a) A conversion;
- (b) Replacement of one component with another, pre-approved component;
- (c) The rebuilding of a previously approved device with pre-approved components;
- (d) A change in the theoretical hold percentage of a mechanical or electro-mechanical device, provided that the device as changed meets the standards of Regulation 14.040(1); or
- (e) A change in the theoretical hold percentage of an electronic device which is the result of a top award jackpot or bonus jackpot payment which is paid directly by an attendant and which is not accounted for by the device.

20. "On-line slot metering system" means the collective hardware, software and other associated equipment used to monitor, accumulate, and record meter information from gaming devices within a licensed establishment.

21. "Operator" means any person or entity holding a license to operate an inter-casino linked system or mobile gaming system in Nevada, a person or entity holding a license to operate a slot machine route that operates an inter-casino linked system for slot machines only, or a person or entity holding a license to operate a nonrestricted gaming operation that operates an inter-casino linked system of affiliates.

22. "Private residence" means a noncommercial structure used by a natural person as a place of abode and which is not used for a commercial purpose.

23. "Randomness" is the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

24. "Registered independent contractor" means an independent contractor who has registered with the board pursuant to Regulation 14.021.

25. "Theme" means a concept, subject matter and methodology of design.

(Adopted: 7/89. Amended: 10/90; 8/93; 1/27/00; 5/00; 5/03; 3/06; 7/10.)

14.020 License required; applications.

1. A person may act as a manufacturer or distributor, or as an operator, only if that person holds a license specifically permitting the person to act as a manufacturer or distributor, or as an operator except as provided for in NRS 463.160(2).

2. Applications for manufacturer's, distributor's, or operator's licenses shall be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the chairman may require or approve.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.021 Independent contractors; registration.

1. An independent contractor whose software, source language or executable code has been compiled into the control program of a new gaming device or a modification to a gaming device submitted for approval must register with the board. The approval of the new gaming device or the modification to a gaming device will not be completed until such registration has been reviewed by the board.

2. Registration as an independent contractor, as required by subsection 1 of this regulation, shall be made, processed, and determined using such forms as the chairman may require or approve. The information requested on the registration form shall be limited to the following:

(a) If the independent contractor is a natural person, the independent contractor's:

- (1) Name, including aliases, past and present;
- (2) Residential address or addresses for the last five years;
- (3) Contact information;
- (4) Employment information, both current and prior ten years; and
- (5) Date and place of birth.

(b) If the independent contractor is a business organization or association:

(1) The name(s), address(es), and contact information of the organization(s) or association(s) under which the independent contractor does business;

(2) The date and jurisdiction under which the independent contractor is registered as a legal entity;

(3) To the extent existent, and where applicable law permits disclosure, the independent contractor's tax identification number; and

(4) The names, and date and place of birth of the natural persons employed by the independent contractor who designed, developed, programmed, produced or composed the software, source language or executable code that has been compiled into the control program of a new gaming device or of a modification to a gaming device submitted for approval.

(c) For all independent contractors:

(1) The name, address, and contact information of the licensed manufacturer with whom the independent contractor has entered into an agreement; and

(2) A summary of the business and other arrangement between the licensed manufacturer and the independent contractor.

(d) A list and description of the following:

(1) Any arrests of the independent contractor by law enforcement involving a felony or crime of moral turpitude and the resulting disposition;

(2) Any incidences in which the independent contractor has, either individually or as part of a group, been refused a gaming license or otherwise found unsuitable by a regulatory body; and

(3) Any privileged licenses held by the independent contractor and any current or past disciplinary against those licenses.

(e) A statement subscribed by the independent contractor that:

(1) The information being provided to the board is accurate and complete;

(2) The independent contractor agrees to cooperate with requests, inquiries, or investigations of the board and commission; and

(3) The independent contractor acknowledges that the commission may demand that the independent contractor submit an application for finding of suitability as an independent contractor, and that a failure to submit such an application within 30 days of the demand may constitute grounds for a finding of unsuitability by the commission.

3. The chairman, or the chairman's designee, may request additional information from an independent contractor to supplement the registration form. A request for additional information may be appealed using the administrative approval appeal process found under Regulations 4.190 and 4.195.

4. An independent contractor is not considered registered until all of the above information, including any additional information requested by the chairman or the chairman's designee, has been provided and reviewed by the board, at which time the board shall issue written evidence of registration to the independent contractor.

5. By the 15th day of each January, a registered independent contractor shall inform the board in writing of any changes in the information on the independent contractor's registration form, or provide the board with a written notice affirmatively stating there have been no changes to that information. If such information or notice is not provided to the board within ninety days of January 15th of each year, the independent contractor's registration will lapse. An independent contractor whose registration has lapsed must re-register with the board pursuant to subsection 1 of this regulation in order to re-instate the independent contractor's registered status.

6. Until June 30, 2011, the registration requirement of subsection 1 of this regulation will not apply to an independent contractor performing work pursuant to a statement of work entered into with a licensed manufacturer prior to July 1, 2010, so long as the statement of work is not modified on or after July 1, 2010. Beginning July 1, 2011, the registration requirement of subsection 1 of this regulation will apply to all independent contractors regardless of the date of any statements of work.

7. Upon a showing of good cause, the chairman or his designee may waive the registration requirements of section 1. Any request for such a waiver must be in writing and submitted by the licensed manufacturer.

(Adopted: 4/22/10. Effective: 7/1/10.)

14.0215 Determination of suitability.

1. A person is not subject to licensing pursuant to subsection 1 of NRS 463.650 in connection with activities performed as an independent contractor provided that person complies with the requirements of this regulation governing independent contractors. Any other person who designs, develops, programs, produces or composes a control program for use in a gaming device in Nevada or for distribution from Nevada must be licensed in accordance with NRS 463.650.

2. An independent contractor may be required by the commission, upon recommendation of the board, to file an application for a finding of suitability to be an independent contractor for a licensed manufacturer.

3. The commission shall give written notice to the independent contractor of its decision to require the filing of an application for a finding of suitability. Unless otherwise stated by the commission in its written notice, an independent contractor who has been ordered to file an application for a finding of suitability to be an independent contractor may continue to perform under a contract with a manufacturer unless and until the commission finds the independent contractor unsuitable.

4. If the commission finds an independent contractor to be unsuitable:

(a) The registration of such independent contractor is thereupon cancelled;

(b) All licensed manufacturers shall, upon written notification, immediately terminate any existing relationships, direct or indirect, with such independent contractor;

(c) No new gaming device with a control program that contains software, source language, or executable code created in whole or in part by the unsuitable independent contractor shall be approved; and

(d) Any previously approved gaming device with a control program that contains software, source language, or executable code created in whole or in part by the independent contractor is subject to revocation of its approval if the reasons for the finding of unsuitability also apply to that gaming device.

5. Failure of a licensed manufacturer to terminate any association or agreement with an independent contractor after receiving notice of the determination of unsuitability constitutes an unsuitable method of operation.

6. The commission retains jurisdiction to determine the suitability of a registered independent contractor regardless of whether or not that registered independent contractor has any active agreements with licensed manufacturers, allowed their registration to lapse, or is otherwise no longer functioning as an independent contractor.

7. A failure on the part of the registered independent contractor to submit an application for a finding of suitability within 30 days after being demanded to do so by the commission shall constitute grounds for a finding of unsuitability of the independent contractor.

8. An independent contractor, or employee thereof, is not considered a gaming employee under NRS 463.0157 in relation to any work conducted designing, programming, producing or composing a control program within the scope of the agreement entered into with the licensed manufacturer. An independent contractor, or employee thereof, is in no way exempt from being classified as a gaming employee under NRS 463.0157 for such work performed outside the scope of the agreement with the licensed manufacturer or for other work performed related to gaming.

(Adopted: 4/22/10. Effective: 7/1/10.)

14.023 Manufacturer's agreements with independent contractors. Any agreement between a licensed manufacturer and an independent contractor shall provide for termination without continuing obligation of the licensed manufacturer in the event the independent contractor:

1. Refuses to respond to information requests from the board;

2. Fails to file an application for a finding of suitability as required by the commission; or

3. Is found unsuitable by the commission.

(Adopted: 4/22/10. Effective: 7/1/10.)

14.024 Manufacturer's responsibilities for independent contractors. Each licensed manufacturer must:

1. Complete a review of any software, source language or executable code designed, developed, produced or composed by an independent contractor for compliance with all applicable regulations and technical standards of the commission and board prior to submission to the board; and

2. Maintain records of the software, source language or executable code that was designed, developed, produced or composed by an independent contractor, by contractor name.

↳ Unless the chairman approves or requires otherwise in writing, such records shall be maintained for a minimum of five years from the date of the relevant submission and must be made available to the board upon request. Failure to keep and provide such records is an unsuitable method of operation.

(Adopted: 4/22/10. Effective: 7/1/10.)

14.025 Certain themes prohibited in association with gaming devices or slot machines.

1. A gaming device or gaming device modification submitted for approval by a manufacturer or made available for play by a licensee must not use a theme that:

(a) Is derived from or based on a product that is currently and primarily intended or marketed for use by persons under 21 years of age, or

(b) Is otherwise contrary to the public policy of the state or would constitute an unsuitable method of operation.

2. In addition to any other factors deemed relevant, the following factors may be considered in determining whether a gaming device theme is prohibited by subsection 1:

(a) The subject matter of a television program or cartoon and the rating given to it by the National Association of Broadcasters, the National Cable Television Association, the National Cable Association or comparable rating entity;

(b) The subject matter of a book or magazine and the categorization given to it by the Library of Congress;

(c) The subject matter of a board game and the age recommendation given to the board game by the manufacturer of the game;

(d) The subject matter of a movie or animated feature and the rating given to it by the Motion Picture Association of America or comparable rating entity;

(e) The subject matter of a video or computer game and the rating given to it by the Entertainment Software Rating Board or a comparable rating entity;

(f) The age distribution of the audience for a television program, movie or animated feature;

(g) The age distribution of the users of other products using the same theme;

(h) The advertising or marketing campaign for the product from which the theme is derived or on which it is based;

(i) The year in which the product from which the theme is derived, or on which it is based, first received intellectual property protection; or

(j) Whether the theme is attractive to adults because of its nostalgic appeal.

3. A gaming device theme will ordinarily be presumed to be currently and primarily intended or marketed for use by persons under 21 years of age if it is derived from or based on:

(a) A television program or cartoon, other than a game show, that first received intellectual property protection less than 21 years prior to the date of submission of the gaming device, that is rated TV-Y, TV-Y7, or TV-G by the National Association of Broadcasters, the National Cable Television Association, the National Cable Association or comparable rating entity;

(b) A board game that contains a recommendation that the game is suitable only for players under 21 years of age;

(c) A book or magazine categorized by the Library of Congress only as juvenile literature or children's literature that first received intellectual property protection less than 21 years prior to the date of submission of the gaming device;

(d) A movie or animated feature that first received intellectual property protection less than 21 years prior to the date of submission of the gaming device that is rated G by the Motion Picture Association of America, or comparable rating entity; or

(e) A video or computer game that first received intellectual property protection less than 21 years prior to the date of submission of the gaming device that is rated EC by the Entertainment Software Rating Board, or comparable rating entity.

4. A manufacturer, licensee or other person holding the intellectual property rights to a theme for a gaming device may, concurrently with or independent of an application for approval of or modification to a gaming device, file a request with the board, in such manner and using such forms as the chairman may prescribe, for a determination as to whether subsection 1 prohibits use of the theme in connection with a gaming device. The request for determination must be accompanied by a nonrefundable fee of \$500 per theme. A request for withdrawal may be made at any time prior to final action by the commission by filing a written request to withdraw with the board.

(a) The requesting party shall articulate the reasons that the theme is not prohibited by subsection 1 along with any additional information it deems relevant to the determination. Information submitted pursuant to this section is confidential and subject to the provisions of NRS 463.120;

(b) Within 10 days of the submission of the request for determination, the chairman of the board shall appoint a hearing examiner to consider such request. The hearing examiner may, at his discretion, or at the request of the party submitting the request for determination, conduct such investigative hearings as may be necessary to make a recommendation to the board. The hearing examiner shall make a recommendation to the board within 30 days of appointment from the chairman, unless administratively extended by the chairman for good cause. The board shall consider the recommendation of the hearing examiner at the next regularly scheduled board meeting occurring more than 10 working days after receipt of the recommendation. Unless the

board requires further investigation, the board shall sustain, modify or reverse the recommendation of the hearing examiner.

(c) The commission shall consider the recommendation of the board at the next regularly scheduled commission meeting occurring more than 10 working days after receipt of the recommendation by the board. Unless the commission requires further investigation, the commission shall sustain, modify or reverse the recommendation of the board upon a majority vote of the members.

5. The commission or the board may restrict the time, place and manner in which an approved gaming device may be displayed.

6. This section does not apply to any themes that were used in connection with gaming devices that were approved for play prior to the effective date of this section.

(Adopted: 1/27/00.)

14.030 Approval of gaming devices and the operation of new inter-casino linked systems; applications and procedures.

1. A manufacturer or distributor shall not distribute a gaming device in Nevada and a licensee shall not offer a gaming device for play unless it has been approved by the commission or is offered for play pursuant to a field test ordered by the chairman.

2. An operator of an inter-casino linked system shall not install and operate a new inter-casino linked system in Nevada and a licensee shall not offer any gaming device or game for play that is part of such a system unless operation of the inter-casino linked system and all gaming devices or games that are part of or connected to the inter-casino linked system have been approved by the commission or are offered for play pursuant to a field test ordered by the chairman.

3. Applications for approval of a new gaming device or to operate a new inter-casino linked system shall be made and processed in such manner and using such forms as the chairman may prescribe. Only licensed manufacturers may apply for approval of a new gaming device. Only operators may apply for approval to operate a new inter-casino linked system.

4. At the chairman's request an applicant for a manufacturer's or inter-casino linked system operator's license shall, or upon the chairman's prior approval an applicant for a manufacturer's or operator's license may, apply for a preliminary determination that a new gaming device or new inter-casino linked system meets the standards required by this regulation.

5. Each application shall include, in addition to other items or information as the chairman may require:

(a) A complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device or inter-casino linked system operates and complies with all applicable statutes, regulations and technical standards, signed under penalty of perjury;

(b) A statement under penalty of perjury that, to the best of the manufacturer's knowledge, the gaming device meets the standards of section 14.040 or, in the case of an inter-casino linked system, that to the best of the operator's knowledge the system meets the standards of section 14.045;

(c) In the case of a gaming device, a copy of all executable software, including data and graphic information, and a copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a gaming device, submitted on electronically readable, unalterable media;

(d) In the case of a gaming device, a copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables;

(e) In the case of an inter-casino linked system:

(1) An operator's manual;

(2) A network topology diagram;

(3) An internal control system;

(4) A hold harmless agreement;

(5) A graphical representation of the system theme and all related sign-age; and

(6) Information sufficient to calculate a theoretical payoff schedule amount including, but not limited to, the base and reset amounts, the total contribution percentage and a breakdown of that percentage including contribution rates to all progressive payoff schedules and all reset funds, the odds of winning the progressive payoff schedule and the amount of the wager required to win the progressive payoff schedule; and

(f) In the case of a mobile gaming system:

(1) An operator's manual;

(2) A network topology diagram;

(3) An internal control system; and

(4) A description of the method used to isolate game function to the areas listed in Regulation 5.220(1)(i).

(Adopted: 7/89. Amended: 11/20/97; 1/27/00; 5/00; 5/03; 3/06; 7/10.)

14.040 Minimum standards for gaming devices. All gaming devices submitted for approval:

1. Must theoretically pay out a mathematically demonstrable percentage of all amounts wagered, which must not be less than 75 percent for each wager available for play on the device.

(a) Gaming devices that may be affected by player skill must meet this standard when using a method of play that will provide the greatest return to the player over a period of continuous play.

(b) The chairman may waive the 75 percent standard if the manufacturer can show to the chairman's satisfaction that this requirement inhibits design of the device or is inappropriate under the circumstances, the device theoretically pays out at least 75 percent of all wagers made when all wagers are played equally, and the device otherwise meets the standards of subsections 2 through 6. A waiver will be effective when the manufacturer receives written notification from the chairman that this standard will be waived pursuant to this paragraph. A waiver of this standard pursuant to this paragraph is not an approval of the device.

2. Must use a random selection process to determine the game outcome of each play of a game. The random selection process must meet 95 percent confidence limits using a standard chi-squared test for goodness of fit.

(a) Each possible permutation or combination of game elements which produce winning or losing game outcomes must be available for random selection at the initiation of each play.

(b) For gaming devices that are representative of live gambling games, the mathematical probability of a symbol or other element appearing in a game outcome must be equal to the mathematical probability of that symbol or element occurring in the live gambling game. For other gaming devices, the mathematical probability of a symbol appearing in a position in any game outcome must be constant.

(c) The selection process must not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered, or upon the style or method of play.

3. Must display an accurate representation of the game outcome. After selection of the game outcome, the gaming device must not make a variable secondary decision which affects the result shown to the player.

4. Gaming devices connected to a common payoff schedule shall:

(a) All be of the same denomination and have equivalent odds of winning the common payoff schedule/common award; or

(b) If of different denominations, equalize the expected value of winning the payoff schedule/common award on the various denominations by setting the odds of winning the payoff schedule in proportion to the amount wagered or by requiring the same wager to win the payoff schedule/award regardless of the device's denomination. The method of equalizing the expected value of winning the payoff schedule/award shall be conspicuously displayed on each device connected to the common payoff schedule/common award. For the purposes of this requirement, equivalent is defined as within a 5% tolerance for expected value and no more than a 1% tolerance on return to player or payback.

5. Must display the rules of play and payoff schedule.

6. Must not automatically alter paytables or any function of the device based on internal computation of the hold percentage.

7. Must meet the technical standards adopted pursuant to section 14.050.

8. Except for devices granted a waiver pursuant to subsections 1(b), or 8, each gaming device exposed for play in the State of Nevada by any gaming licensee, including an operator of a slot machine route, must meet the standards and requirements set forth within subsection 1, as though the gaming device had been submitted for approval subsequent to September 28, 1989.

9. The chairman of the board or his designee may waive the requirements of subsection 7 for a licensee exposing a gaming device to the public for play, if the licensee can demonstrate to the chairman's satisfaction that:

(a) After the waiver the aggregate theoretical payout for all amounts wagered on all gaming devices exposed for play by the licensee at a single establishment meets the 75 percent standard of subsection 1, and

(b) The licensee is unable to bring the device into compliance with the requirements of subsection 1, because of excessive cost or the unavailability of parts.

(Adopted: 7/89. Amended: 9/89; 10/92; 7/10. Effective: 1/1/93.)

14.045 Minimum standards for inter-casino linked systems. All inter-casino linked systems submitted for approval:

1. Shall, in the case of an inter-casino linked system featuring a progressive payoff schedule that increases as the inter-casino linked system is played, have a minimum rate of progression for the primary jackpot meter of not less than .4 of one percent of amounts wagered. In the case of

an inter-casino linked system featuring a progressive payoff schedule that increases over time, have a minimum rate of progression for the primary jackpot meter of not less than one hundred dollars per day. The provisions of this subsection do not prevent an operator from limiting a progressive payoff schedule as allowed by Regulation 5.112(5).

2. Shall have a method to secure data transmissions between the games and devices and the main computer of the operator, as approved by the board.

3. Shall display the rules of play and the payoff schedule.

4. Shall meet the applicable minimum standards for internal control that have been adopted pursuant to Regulation 6.090.

(Adopted: 5/00. Amended: 5/03; 7/10.)

14.050 Technical standards.

1. The chairman shall publish technical standards for approval of gaming devices, on-line slot metering systems, cashless wagering systems, and associated equipment.

2. The chairman shall:

(a) Publish notice of the proposed action in such newspapers as the commission shall prescribe;

(b) Mail a copy of the proposed technical standards or revisions and a copy of this section of Regulation 14 to every nonrestricted licensee, licensed manufacturer and every person who has filed a request with the commission; and

(c) Provide a copy of the proposed technical standards or revisions to the commission.

3. The chairman shall consider all written statements, arguments, or contentions submitted by interested parties within 30 days of service of the notice provided for in subsection 2.

4. Not later than 45 days after service of written notice that the chairman has proposed the technical standards, any nonrestricted licensee or licensed manufacturer may object to the technical standards or revisions by filing a written objection with the commission.

5. The commission shall consider any objections filed to the technical standards or revisions proposed by the chairman. If the commission does not concur with any of the technical standards, the chairman shall revise the technical standards to reflect the order of the commission.

6. The chairman shall send written notice of the effective date of the standards to all nonrestricted licensees, licensed manufacturers and every person who has filed a request with the commission.

7. Nonrestricted licensees or licensed manufacturers may propose the adoption, revision, or deletion of technical standards by submitting a written request to the chairman who will consider the request at his discretion. If the chairman does not propose the technical standard, the nonrestricted licensee or licensed manufacturers may file a request with the commission to adopt, revise, or delete a technical standard. The commission may consider the request at its discretion.

(Adopted: 7/89. Amended 5/03; 7/10.)

14.060 Employment of individual to respond to inquiries from the board. Each manufacturer and operator shall employ or retain an individual who understands the design and function of each of its gaming devices, cashless wagering system, or inter-casino linked systems who shall respond within the time specified by the chairman to any inquiries from him concerning the gaming device, cashless wagering system, or inter-casino linked system or any modifications to the device, cashless wagering system, or inter-casino linked system. Each manufacturer or operator shall on or before December 31st of each year report in writing the name of the individual designated pursuant to this section and shall report in writing any change in the designation within 15 days of the change.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.070 Board evaluation of new gaming devices. The chairman may require transportation of not more than two working models of a new gaming device to the new game lab of the board or some other location for review and inspection. The manufacturer seeking approval of the device must pay the cost of the inspection and investigation. The lab may dismantle the models and may destroy electronic components in order to fully evaluate the device. The chairman may require that the manufacturer provide specialized equipment or the services of an independent technical expert to evaluate the device.

(Adopted: 7/89.)

14.075 Board evaluation of inter-casino linked systems. The chairman or his designee may require transportation of not more than one working model of an inter-casino linked system to the board's offices or some other location for review and inspection pursuant to Regulation 14.260. The associated equipment manufacturer seeking approval of the system shall pay the cost of the inspection and investigation. The board may dismantle the model and may destroy

electronic components in order to fully evaluate the inter-casino linked system. The chairman may require that the operator of an inter-casino linked system provide specialized equipment or the services of an independent technical expert to evaluate the inter-casino linked system.

(Adopted: 5/00. Amended: 5/03.)

14.080 Field test of new gaming devices and new inter-casino linked systems.

1. The chairman shall make a preliminary, nonbinding determination whether a new gaming device meets the standards of section 14.040 or a new inter-casino linked system meets the standards of section 14.045. If the chairman makes a preliminary determination that a new gaming device has met the standards of section 14.040 or a new inter-casino linked system has met the standards of section 14.045, he may allow or require that one or more models of the gaming device or the inter-casino linked system be tested at a licensed gaming establishment(s) for not more than 180 days under terms and conditions that he may approve or require. Upon written request of the manufacturer, distributor or operator, the chairman may, by written agreement, allow the test period to be continued an additional 90 days beyond the 180-day maximum field test period, for the purpose of allowing the application for approval of the new gaming device or application to operate a new inter-casino linked system to be acted upon by the board and commission. The chairman shall report all field tests on the agenda of the next regularly scheduled meeting of the board and commission.

2. A manufacturer shall not modify a gaming device and an operator shall not modify a new inter-casino linked system during the test period without the prior oral or written approval of the chairman. Within 15 days of a modification made upon oral approval, the manufacturer or operator making such modification shall submit a written request for approval of the modification.

3. The chairman may order termination of the test period, if he determines, in his sole and absolute discretion, that the manufacturer, operator, or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period or if the new gaming device or new inter-casino linked system fails to meet the standards of section 14.040 or section 14.045, respectively.

(a) If the test period is terminated due to the licensed gaming establishment's failure to comply with the terms and conditions of the order allowing or requiring a test period, the chairman may order that the test be conducted at another licensed gaming establishment.

(b) A manufacturer or operator may object to the termination of the test period by filing a written objection with the commission. The filing of an objection shall not stay the order terminating the test. If the commission fails to order resumption of the test within 60 days of the written objection, the objection will be deemed denied. If the commission sustains the objection, the testing may be resumed under terms that may be approved or required by the commission.

4. A licensee or manufacturer, or their agent shall not play a new gaming device during a test period. A licensee or operator, or their agent, shall not play a gaming device or game connected to a new inter-casino linked system during a test period.

5. If the chairman has made a determination that a new gaming device or new inter-casino linked system is not eligible for testing at a licensed gaming establishment because the new device or new system does not meet the standards of section 14.040 or section 14.045, respectively, he shall notify the manufacturer or operator in writing. Not later than 10 days after receipt of such notification, the manufacturer or operator may object to such a determination by filing written objection with the commission. If the commission fails to order a test period within 60 days of the written objection, the objection will be deemed denied. If the commission sustains the objection, the new gaming device or new inter-casino linked system may be tested at a licensed gaming establishment under terms and conditions that may be approved or required by the commission.

(Adopted: 7/89. Amended: 10/90; 5/00; 5/03; 3/06; 7/10.)

14.090 Certification by manufacturer.

1. After completing its evaluation of a new gaming device, the board's new games lab shall send a report of its evaluation to the manufacturer seeking approval of the device. The report must include an explanation of the manner in which the device operates. The report must not include a position as to whether the device should be approved. The manufacturer shall return the report within 15 working days and shall either:

(a) Certify under penalty of perjury that to the best of its knowledge the explanation is correct; or

(b) Make appropriate corrections, clarifications, or additions to the report and certify under penalty of perjury that to the best of its knowledge the explanation of the gaming device is correct as amended.

2. The chairman may order additional evaluation and a field test of the new gaming device of up to 60 days in addition to the test period provided for in section 14.080 if he determines, based upon the manufacturer's certification, that such additional evaluation is necessary.
(Adopted: 7/89.)

14.100 Final approval of new gaming devices and new inter-casino linked systems. After completing its evaluation of the new gaming device or the operation of a new inter-casino linked system, the board shall recommend to the commission whether the application for approval of the new gaming device or operation of a new inter-casino linked system should be granted. In considering whether a new gaming device or operation of a new inter-casino linked system will be given final approval, the board and commission shall consider whether approval of the new gaming device or operation of a new inter-casino linked system is consistent with the public policy of this state. Commission approval of a gaming device or inter-casino linked system does not constitute certification of the device's or inter-casino linked system's safety.
(Adopted: 7/89. Amended: 5/00; 5/03.)

14.105 Installation of a system based game or a system supported game. A licensee shall not install or use a system based game or system supported game without prior written approval of the system network implementation from the chairman or his designee. Additionally, any modifications to the approved network implementation must be approved by the chairman or his designee. Applications for approval to install or modify a system based game or system supported game shall be made and processed in such manner and using such forms as the chairman may prescribe. The applicant seeking approval of the installation shall pay the cost of the investigation.
(Adopted: 4/22/10. Effective: 7/1/10.)

14.110 Approval to modify gaming devices or inter-casino linked systems; applications and procedures.

1. Modifications to gaming devices may only be made by licensed manufacturers who have received prior written approval of the chairman. inter-casino linked system modifications may only be made by operators of such systems who have received prior written approval of the chairman. The chairman, in his sole and absolute discretion, may refer an inter-casino linked system modification to the full board and commission for consideration of approval. In an emergency when a modification is necessary to prevent cheating or malfunction, the chairman may, in his sole and absolute discretion, orally approve a modification to be made by a manufacturer or operator. Within 15 days of the emergency modification, the manufacturer or operator making such modification shall submit a written request for approval of the modification that shall contain the information required by subsection 3 and such other information as required by the chairman.

2. A manufacturer shall not modify a gaming device unless the device, as modified, meets the standards of section 14.040. An operator shall not modify an inter-casino linked system unless the system, as modified, meets the standards of section 14.045. The chairman may, in his sole and absolute discretion, waive all or some of the standards of section 14.040 or section 14.045, respectively, if the modification is necessary to prevent cheating or malfunction. The chairman may, in his sole and absolute discretion, waive the standards of subsections 1 and 6 of section 14.040 if the gaming device was originally approved by the commission prior to the effective date of this regulation. A waiver shall be effective when the manufacturer or operator receives a written notification from the chairman that all or some of the standards will be waived pursuant to this subsection. A waiver of all or some of the standards pursuant to this subsection is not an approval of the modification.

3. Applications for approval to modify a gaming device or an inter-casino linked system shall be made by a manufacturer and processed in such manner and using such forms as the chairman may prescribe. Each application shall include, in addition to such other items or information as the chairman may require:

(a) A complete, comprehensive, and technically accurate description and explanation of the modification in both technical and lay language signed under penalty of perjury;

(b) Unless the standards of section 14.040 or section 14.045 have been waived pursuant to subsection 2, a statement under penalty of perjury that to the best of the manufacturer's knowledge, the gaming device, as modified, meets the standards of section 14.040 or, in the case of an inter-casino linked system, a statement under penalty of perjury that to the best of the operator's knowledge the inter-casino linked system, as modified, meets the standards of section 14.045;

(c) In the case of a gaming device a copy of all executable software, including data and graphic information, and a copy of all source code for programs that cannot be reasonably demonstrated

to have any use other than in a gaming device, submitted on electronically readable, unalterable media;

(d) In the case of a gaming device a copy of all graphical images displayed on the gaming device including, but not limited to, reel strips, rules, instructions and paytables;

(e) In the case of a gaming device a listing of all independent contractors and a description of the software, source language or executable code compiled into the control program that is designed or developed by the independent contractor as part of any submission to the board; and

(f) In the case of an inter-casino linked system:

(1) An operator's manual;

(2) An internal control system;

(3) A hold harmless agreement;

(4) A graphical representation of the system theme and all related signage; and

(5) Information sufficient to calculate a theoretical payoff schedule amount including, but not limited to, the base and reset amounts, the total contribution percentage and a breakdown of that percentage including contribution rates to all progressive payoff schedules and all reset funds, the odds of winning the progressive payoff schedule and the amount of the wager required to win the progressive payoff schedule.

(Adopted: 7/89. Amended: 11/20/97; 1/27/00; 5/00; 5/03; 7/10.)

14.120 Board evaluation of modifications.

1. The chairman or his designee may require transportation of not more than two working models of a modified gaming device or not more than one working model of a modified inter-casino linked system, or any component thereof, to the board's offices or some other location for review and inspection. The manufacturer or operator seeking approval of the modification shall pay the cost of the inspection and investigation. The board may dismantle the models and may destroy electronic components in order to fully evaluate the modified gaming device or inter-casino linked system, or component. The chairman may require that the manufacturer or operator provide specialized equipment or the services of an independent technical expert to evaluate the modification.

2. The chairman has sole and absolute discretion to determine whether the requested modification of a gaming device renders the device sufficiently different so that the modified device should be treated as a new gaming device. If the chairman makes such a determination, he shall notify the manufacturer in writing. The manufacturer may file an application for approval of a new gaming device.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.130 Field test of modified gaming devices and modified inter-casino linked systems.

1. The chairman shall make a preliminary, nonbinding determination whether a modified gaming device meets the standards of section 14.040 or a modified inter-casino linked system meets the standards of section 14.045, if those standards have not been otherwise waived pursuant to subsection 2 of section 14.110. If the chairman makes a preliminary determination that a modified gaming device or modified inter-casino linked system has either met the standards of section 14.040 or section 14.045, as applicable, or that those standards have been waived, he may allow or require that one or more models of the modified gaming device or modified inter-casino linked system be tested at a licensed gaming establishment for not more than 180 days under terms and conditions that he may approve or require.

2. A manufacturer shall not further modify a gaming device and an operator shall not further modify an inter-casino linked system during the test period without the prior oral approval of the chairman. Within 15 days of a further modification made upon oral approval, the manufacturer or operator making such modification shall submit a written request for approval of the modification.

3. The chairman may order termination of the test period if he determines, in his sole and absolute discretion, that the manufacturer, or operator or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period.

4. A licensee or manufacturer, or their agent shall not play a modified gaming device during a test period. A licensee or operator, or their agent shall not play a gaming device or game connected to a modified inter-casino linked system during a test period.

5. If the chairman has made a determination that the modified gaming device or modified inter-casino linked system is not eligible for testing at a licensed gaming establishment because the modified gaming device or modified inter-casino linked system does not meet the standards of section 14.040 or section 14.045, respectively, and those standards have not been waived pursuant to subsection 2 of section 14.110, he shall notify the manufacturer or operator in writing.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.140 Final approval of modifications. The chairman shall notify the manufacturer or operator in writing of his decision to approve or disapprove a modification.
(Adopted: 7/89. Amended: 5/00.)

14.150 Conversions. A licensee other than a manufacturer who converts a gaming device from one approved game configuration to another approved game configuration shall maintain complete and accurate records of all such conversions.
(Adopted: 7/89.)

14.160 Duplication of program storage media. A licensee other than a manufacturer shall not duplicate the contents of gaming device program storage media unless its duplication process has received written approval of the chairman.
(Adopted: 7/89.)

14.170 Marking, registration, and distribution of gaming devices.

1. Except as otherwise provided in subsection 2, a manufacturer or distributor shall not distribute a gaming device in this state or from a location within this state out of state unless the gaming device has:

(a) A permanent serial number which must be the same number as given the device pursuant to the provisions of the Gaming Device Act of 1962, 15 U.S.C. 1173, permanently stamped or engraved in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the device and on a removable metal plate attached to the cabinet of the device; and

(b) For devices distributed in this state, the board approval number or, if the device has been modified since initial approval of the device, the modification approval number affixed on all program storage media placed in the device.

2. The chairman may, in his sole and absolute discretion, waive the requirements of subsection 1 if:

(a) The device was manufactured prior to January 1, 1962, and the manufacturer or distributor permanently stamps or engraves in lettering no smaller than 5 millimeters a distributor's identification code assigned by the chairman and a serial number on the metal frame or other permanent component of each device covered by this subsection.

(b) The program storage media in 1(b) can be altered through a means that does not require removal from the device or if the size of such media does not permit it.

3. Each manufacturer or distributor shall keep a written list of the date of each distribution, the serial numbers of the devices, the board approval number, or if the device has been modified since initial approval of the device, the modification approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the gaming devices have been distributed and shall provide such list to the chairman immediately upon his request.

(Adopted: 7/89. Amended: 7/10.)

14.180 Approval to distribute gaming devices out of Nevada; applications and procedures.

1. Subject to subsection 3, manufacturers and distributors shall not distribute gaming devices out of this state without the approval of the chairman. Applications for approval to distribute gaming devices out of this state must be made, processed, and determined in such manner and using such forms as the chairman may prescribe. Each application must include, in addition to such other items or information as the chairman may require:

(a) The full name, state of residence, address, telephone number, social security number, and driver's license number of both the purchaser and the person to whom the shipment is being made, if neither is currently licensed by the commission. If the purchaser or person to whom the shipment is being made does not have a social security number or driver's license number, the birth date of the purchaser or person to whom the shipment is being made may be substituted;

(b) The name and permanent address of the purchaser or person to whom the shipment is being made if either is currently licensed by the commission;

(c) The destination, including the port of exit if the destination is outside the continental United States;

(d) The number of devices to be shipped;

(e) The serial number of each device;

(f) The model number of each device and year each device was manufactured, if known;

(g) The denomination of each device;

(h) The expected date and time of shipment; and

(i) The method of shipment and name and address of carrier.

2. Manufacturers and distributors shall not ship gaming devices to a destination where possession of a gaming device is unlawful.

3. Manufacturers and distributors may ship gaming devices to:

(a) Persons licensed to expose such devices for play or for further distribution, in the jurisdiction of destination or by a tribal gaming authority in the jurisdiction of destination;

(b) A federal, state or tribal gaming regulatory authority or law enforcement agency; or

(c) A testing laboratory engaged by an entity identified within paragraph (b) of this subsection.

In such case, the manufacturer or distributor must file the information required by subsection 1 on or before the 15th of the month following the month of distribution. The chairman may publish a list of jurisdictions or licensees to which this exemption does not apply and where the manufacturers and distributors may not ship gaming devices without prior approval.

4. Manufacturers and distributors shall obtain and thereafter maintain, a statement by the purchaser under penalty of perjury that each device will be used only for lawful purposes, unless the purchaser is currently licensed by the commission or comparable agency of another state or tribal gaming agency or the destination is outside the United States.

5. Manufacturers and distributors shall, on or before December 31st of each year, give the board a copy of their registration with the United States Attorney General pursuant to the provisions of the Gaming Devices Act of 1962, 15 U.S.C. 1173, for the ensuing year.

6. An agent of the board may inspect the premises of manufacturers and distributors and all gaming devices located therein. An agent of the board may inspect all gaming devices for which an application has been filed pursuant to this regulation prior to distribution out of this state. Manufacturers and distributors shall make the gaming devices available for such inspection.

7. If the chairman does not deny the application for approval to distribute gaming devices out of this state within 5 working days of receipt of a complete application, the application will be deemed to be approved.

8. A manufacturer or distributor shall keep a record of all shipments made out of state of parts specifically designed for use in a gaming device. The record must include the information set forth in subsection 1, if applicable. A manufacturer or distributor shall not ship parts specifically designed for use in a gaming device to a destination where possession of a gaming device is unlawful.

9. The chairman of the board may, in his discretion, waive one or more of the requirements of this section upon good cause shown.

(Adopted: 7/89. Amended: 7/05.)

14.190 Approval to sell or dispose of gaming devices. A licensee, other than a manufacturer and distributor, shall not dispose of gaming devices without the prior written approval of the chairman, unless the devices are sold or delivered to its affiliated companies or a licensed manufacturer or distributor, in which case approval is deemed granted. A licensee shall not request approval to sell or deliver gaming devices to a person other than its affiliated companies or a licensed manufacturer or distributor unless the devices have been marked pursuant to section 14.170. Applications for approval to sell gaming devices must be made, processed, and determined in such manner and using such forms as the chairman may prescribe. Each application must include the information required by section 14.180 in addition to such other items or information as the chairman may require. Applications for approval to dispose of gaming devices must be made, processed, and determined in such manner and using such forms as the chairman may prescribe.

(Adopted: 7/89.)

14.200 Maintenance of gaming devices. A licensee shall not alter the operation of approved gaming devices and shall maintain the gaming devices in a suitable condition. Each licensee shall keep a written list of repairs made to gaming devices offered for play to the public that require a replacement of parts that affect the game outcome and shall make the list available for inspection by the chairman upon his request.

(Adopted: 7/89.)

14.210 Approval of promotional devices; applications and procedures.

1. As used in this section, "promotional device" means a contrivance that resembles a gaming device or slot machine that:

(a) Is playable without a wager being made; or

(b) Always pays out an amount in either cash or prizes that is equal to or greater than the wager made.

2. A manufacturer or distributor shall not distribute a promotional device for use in this state and a nonrestricted licensee shall not offer a promotional device for play to the public unless the promotional device has been approved by the chairman. A restricted licensee shall not offer a

promotional device for play to the public unless the promotional device and the use of the promotional device have both been approved by the chairman.

3. Applications for approval of promotional devices must be made, processed, and determined in such manner and using such forms as the chairman may prescribe. Each application must include, in addition to such other items or information as the chairman may require:

(a) A complete, comprehensive, and technically accurate description and explanation of the manner in which the device operates and complies with all applicable statutes, regulations and technical standards, signed under penalty of perjury;

(b) The name and permanent address of the purchaser if the purchaser is currently licensed by the commission;

(c) The name, permanent address, social security number, and driver's license number of the purchaser if the purchaser is not currently licensed by the commission. If the purchaser does not have a social security number or driver's license number, the purchaser's birth date may be substituted;

(d) The quantity and the serial numbers of the promotional devices being sold or distributed; and

(e) A statement by the purchaser under penalty of perjury that the device will be used only for lawful purposes.

(Adopted: 7/89. Amended: 7/10.)

14.220 Summary suspension of approval of gaming devices and inter-casino linked systems.

1. The board may issue a summary order, with or without notice to the manufacturer, distributor, operator, or licensee, suspending approval of a gaming device or inter-casino linked system if it determines that the device or inter-casino linked system does not operate:

(a) In the manner certified by the manufacturer pursuant to section 14.090; or

(b) As approved by the commission; or

(c) As approved by the chairman, if the device has been modified since initial approval of the device or inter-casino linked system.

2. After issuing an order pursuant to subsection 1, the board may seal or seize all models of that gaming device or inter-casino linked system and shall thereafter comply with subsections 5 and 6 of section 463.311 and sections 463.312 to 463.318 of the Nevada Revised Statutes.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.230 Approval of new games and game variations; applications and procedures.

1. A licensee shall not offer a new game for play unless the new game has been approved by the commission. A licensee shall not offer a game variation for play unless the game variation has been approved in writing by the chairman or his designee.

2. Applications for approval of a new game or game variation must be made and processed in such manner and using such forms as the chairman may prescribe. The applicant seeking approval of the new game or game variation shall pay the cost of the investigation. Each application must include, in addition to such other items or information as the chairman may require:

(a) The name, permanent address, social security number, and driver's license number of the person developing the new game or game variation. If the person developing the new game or game variation does not have a social security number or a driver's license number, his birth date may be substituted;

(b) The name of the game which must be different than the name of a game currently approved by the commission; and

(c) A description of the new game or game variation, including the rules of play, the proposed schedule of payouts, and a statistical evaluation of the theoretical percentages of the game.

(Adopted: 7/89. Amended: 7/10.)

14.240 Field trials of new games and game variations.

1. The chairman may allow or require that a new game or game variation to be tested at a licensed gaming establishment for not more than 180 days under terms and conditions that he may approve or require.

2. The chairman may order termination of the test period, if he determines, in his sole and absolute discretion, that the developer of the new game or the licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period.

(Adopted: 7/89. Amended: 7/10.)

14.250 Final approval of new games. The board shall recommend to the commission whether the application for approval of the new game should be granted. In considering whether

a new game will be given final approval, the board and commission shall consider whether approval is consistent with the public policy of this state.

(Adopted: 7/89.)

14.260 Approval of associated equipment; applications and procedures.

1. Unless otherwise waived pursuant to subsection 2, a manufacturer or distributor of associated equipment shall not distribute associated equipment unless it has been approved by the chairman. Applications for approval of associated equipment shall be made and processed in such manner and using such forms as the chairman may prescribe. Each application must include, in addition to such other items or information as the chairman may require:

(a) The name, permanent address, social security number, and driver's license number of the manufacturer or distributor of associated equipment unless the manufacturer or distributor is currently licensed by the commission. If the manufacturer or distributor of associated equipment is a corporation, the names, permanent addresses, social security numbers, and driver's license numbers of the directors and officer must be included. If the manufacturer or distributor of associated equipment is a partnership, the names, permanent addresses, social security numbers, and driver's license numbers of the partners and their partnership interest must be included. If social security numbers or driver's license numbers are not available, the manufacturer's or distributor's birth date may be substituted;

(b) A complete, comprehensive and technically accurate description and explanation in both technical and lay language of the associated equipment or a modification to previously approved associated equipment and its intended usage, signed under penalty of perjury;

(c) Detailed operating procedures for the associated equipment; and

(d) The standards under which such tests were performed, including Technical Standards 2 and 3 if applicable, and the results of such testing that confirms the associated equipment is functioning as represented, signed under penalty of perjury.

2. Except as provided in subsection 3, upon written request from the manufacturer or distributor of associated equipment, or as the chairman otherwise deems reasonable, he may, in his sole and absolute discretion, waive the approval requirement for associated equipment upon such terms and conditions that he may approve or require or refer the associated equipment to the full board and commission for consideration of approval.

3. The chairman shall not grant an approval pursuant to subsection 1 or waive such approval requirement pursuant to subsection 2 with respect to any associated equipment that, when installed, will allow a patron to use a debit instrument for purposes of making electronic funds transfers from an independent financial institution to a gaming device through a cashless wagering system until such time as the appropriate regulations for such transfers are adopted.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.270 Board evaluation of associated equipment. The chairman or his designee may require transportation of not more than 2 working models of associated equipment to the new game lab of the board or some other location for review and inspection. The manufacturer seeking approval of the equipment must pay the cost of the inspection and investigation. The lab may dismantle the associated equipment and may destroy electronic components in order to fully evaluate the equipment. The chairman may require the manufacturer or distributor seeking approval to provide specialized equipment or the services of an independent technical expert to evaluate the associated equipment.

(Adopted: 7/89. Amended: 5/00; 5/03; 7/10.)

14.280 Field trial of associated equipment.

1. The chairman or his designee may allow or require that the associated equipment be tested at licensed gaming establishments for not more than 180 days under terms and conditions that he may approve or require. The chairman may allow an additional test period upon written request of the manufacturer or distributor of associated equipment.

2. A manufacturer of associated equipment shall not modify associated equipment during the test period without the prior oral approval of the chairman or his designee.

3. The chairman may order termination of the test period, if he determines, in his sole and absolute discretion, that the manufacturer or the distributor of the associated equipment or licensed gaming establishment has not complied with the terms and conditions of the order allowing or requiring a test period. If the test period is terminated due to the licensed gaming establishment's failure to comply with the terms and conditions of the order allowing or requiring a test period, the chairman may order that the test be conducted at another licensed gaming establishment.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.290 Installation of associated equipment. A licensee shall not install or use associated equipment without prior written approval of the chairman or his designee, unless the chairman has waived the approval requirement pursuant to subsection 2 of Regulation 14.260. Applications for approval to install or use associated equipment shall be made and processed in such manner and using such forms as the chairman may prescribe. The chairman shall not approve any use or installation(s) of associated equipment that allow a patron to use a debit instrument for purposes of making electronic funds transfers from an independent financial institution to a gaming device through a cashless wagering system until such time as the appropriate regulations for such transfers are adopted.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.300 Maintenance of associated equipment. The manner in which previously approved associated equipment operates may be altered only with the prior written approval of the chairman or his designee.

(Adopted: 7/89. Amended: 5/00; 5/03.)

14.310 Retention of records. All records required by this regulation must be maintained for 5 years.

(Adopted: 7/89.)

14.320 Sale of antique gaming devices.

1. As used in this section:

(a) "Chairman" means the chairman of the State Gaming Control Board or his designee.

(b) "Antique gaming device" means a gaming device that was manufactured before 1951. For purposes of this definition, the gaming device must be completely mechanical in operation and all of the following parts that make up the gaming device must have been made before 1951:

(1) The cabinet and substantially all castings;

(2) The mechanical mechanism including the following essential parts, if applicable: payout slide(s); clock; reels; mechanism base; mechanism side frames; and

(3) Escalator assembly and coin drop assembly.

2. Upon approval of the chairman and compliance with the provisions of this section, an owner of an antique gaming device who is not a licensed distributor may sell such device through consignment with a licensed distributor. All such sales shall be made only to a resident of a jurisdiction wherein ownership of such device is legal.

3. A licensed distributor shall not distribute a consigned antique gaming device without the approval of the chairman. Applications for approval to sell a consigned antique gaming device must be made, processed, and determined in such manner and using such forms as the chairman may prescribe and may be denied by the chairman for any cause he deems reasonable.

4. A licensed distributor shall submit an application to sell a consigned antique gaming device. Each application must include, in addition to such other items or information as the chairman may require:

(a) The full name, address, telephone number, social security number, birth date and driver's license number of the seller, the purchaser and the person to receive the antique gaming device, if different from the purchaser;

(b) The serial number of each device. In the event a serial number does not exist, the seller shall permanently engrave or stamp in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the device, his initials, together with the last four digits of his social security number, and a different number for each device sold sequentially increasing starting with the number one (1);

(c) The manufacturer and model or description of each device;

(d) The year the device was manufactured;

(e) The denomination of each device, if applicable;

(f) The final sales price of each device;

(g) A written verification by the distributor that the device is an antique gaming device;

(h) A statement by the purchaser under penalty of perjury that the antique gaming device will be used only for lawful purposes; and

(i) A statement by the seller under penalty of perjury that the device meets the definition of antique gaming device as set forth within subsection 1(b) above.

5. If the chairman does not deny the application for approval to sell the antique gaming device within 5 working days of receipt of a complete application, the application will be deemed to be approved.

6. Consigned antique gaming devices may be sold only at a licensed distributor's location, or through a licensed distributor at an auction conducted by an auctioneer licensed in the State of Nevada at a Board approved location.

7. In addition to the requirements of section 4, if the antique gaming device is sold at auction, the following shall be provided to the board by the licensed distributor at least ten (10) working days before the proposed auction:

- (a) The auctioneer's name, address and proof of licensing in the State of Nevada;
- (b) The date, time and location of the proposed auction; and
- (c) The information set forth within subsections 4(b) through (e).

8. An agent of the board may inspect all antique gaming devices sold pursuant to this section at any time prior to transfer of title thereto.

9. A person who is not the holder of a distributor's license who consigns to sell antique gaming devices pursuant to this section shall not:

- (a) Display or advertise for sale any gaming device anywhere in this state except as permitted by Regulation 14.340; or
- (b) Solicit, accept, or execute orders for the purchase of any gaming device except as permitted by Regulation 14.330.

(Adopted and Effective: 09/18/03.)

14.330 Sale of gaming devices displayed or used in a private residence.

1. A person who owns gaming devices for use or display in his private residence may sell a total of two such devices during any 12-month period, without procuring a seller's or distributor's license therefor. Requests to sell gaming devices must be made, processed, and determined in such manner and using such forms as the chairman may prescribe and may be granted by the chairman or his designee upon good cause shown. If the board does not object to the proposed transfer within 5 working days after receipt of the request, the proposed transfer may be effectuated.

2. Each request must include, in addition to such other items or information as the chairman may require:

(a) The full name, state of residence, address, telephone number, social security number, and driver's license number of both the purchaser and the seller. If the purchaser or the seller does not have a social security number or driver's license number, the birth date of the purchaser or the seller may be substituted;

(b) The number of devices to be sold;

(c) The serial number of each device;

(d) The model number of each device and year each device was manufactured, if known;

(e) The denomination of each device;

(f) The expected date and time of sale;

(g) Unless the purchaser is currently licensed by the commission, a statement by the purchaser under penalty of perjury that each device will be used only for lawful purposes.

3. A person may own or obtain gaming devices through a lease for the limited purpose of display or use in that person's private residence without procuring a state gaming license therefor as long as consideration is not directly or indirectly received for playing or owning the devices.

(Adopted: 10/90. Amended: 11/20/97; 5/21/98.)

14.340 Display and marketing of gaming devices by unlicensed entities.

1. Except as provided in subsection 2, an unlicensed manufacturer or distributor may display and market their respective gaming devices at organized gaming shows and exhibitions within Nevada.

2. An unlicensed manufacturer or distributor shall not:

(a) Enter into contractual agreements for the sale of, nor accept orders for, their gaming devices at such organized gaming shows and exhibitions; or

(b) Deliver or distribute gaming devices within Nevada or outside of the state without first procuring and maintaining all required federal, state, county and municipal licenses pursuant to NRS 463.650(1), and thereafter, complying with the provisions of sections 14.170 and 14.180.

3. An unlicensed manufacturer or distributor must conspicuously display a sign at their trade show booth indicating that they are not licensed by the Nevada Gaming Commission as a manufacturer and/or distributor.

(Adopted: 11/20/97.)

End – Regulation 14