

REGULATION 22

RACE BOOKS AND SPORTS POOLS

- 22.010 Definitions.
- 22.020 License required; applications.
- 22.030 [Repealed: 1/1/99.]
- 22.032 Finding of suitability required to operate a call center; applications.
- 22.035 [Repealed: 11/21/2013.]
- 22.037 Employees of an operator of a call center.
- 22.040 Reserve requirements.
- 22.050 Issuance and control of betting tickets.
- 22.060 Acceptance of wagers.
- 22.061 Wagers in excess of \$10,000.
- 22.062 Multiple wagers.
- 22.063 Structured wagers.
- 22.064 [Repealed: 6/30/07.]
- 22.065 Imposition of supplemental recordkeeping and reporting requirements.
- 22.070 [Repealed: 1/1/99.]
- 22.080 Payment of winning wagers.
- 22.090 Parlay card wagers.
- 22.100 Computerized bookmaking systems.
- 22.110 Layoff bets.
- 22.115 Prohibition against rescission of wagers.
- 22.120 Prohibited wagers; exception for an event other than a horse race, greyhound race, or an athletic sports event.
- 22.121 Reports of suspicious wagers.
- 22.125 Wagers; terms and conditions.
- 22.130 Communications technology.
- 22.135 [Repealed: 8/21/08.]
- 22.140 Wagering communications; establishing patron wagering accounts for sports, nonpari-mutuel race, and other event wagering.
- 22.145 Account wagering systems
- 22.147 Account wagering rules.
- 22.150 House rules.
- 22.155 Business entity wagering
- 22.160 Wagering account transactions.
- 22.165 Use of an operator of a call center.
- 22.170 [Repealed 9/27/05.]
- 22.180 Gross revenue computations and layoff bets.
- 22.190 Assigned agent.
- 22.195 Records and reports for users and buyers.
- 22.200 Records and forms.
- 22.210 [Repealed: 8/23/01.]
- 22.220 Global Risk Management.

22.010 Definitions. As used in this regulation:

1. "Account wagering system" means a system of wagering using telephone, computer or other method of wagering communication as approved by the chairman whose components shall be located in this State. The components shall include, but not be limited to, the systems operator, permanent information databases, system monitoring equipment, writers, and patron service representatives.
2. "Book" means a race book or sports pool licensed and approved pursuant to chapter 463 of NRS and this regulation.
3. "Call center system" means a computerized system, or a component of such a system, that is used to receive and transmit wagering instructions from a patron to a licensed book. The call center system is located within Nevada but off the premises of a licensed gaming establishment or any affiliated licensed gaming establishment.
4. "Cash" means coin and currency that circulates, and is customarily used and accepted as money, in the issuing nation.

5. "Central site book" means a book which, for the purpose of wagering communications, may allow other licensed books to establish wagering or credit accounts, accept deposits on accounts and return funds or close out accounts for the central site. Such other licensed books:

(a) Must be outstation or satellite books of the central site, as defined in this regulation, or must be affiliates of the central site, as defined in NRS 463.430(3)(b); and

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

6. "Chairman" means the chairman of the state gaming control board or the chairman's designee.

7. "Communications technology" means the methods used and the components employed to facilitate the transmission of information including, but not limited to, transmission and reception systems based on wire, cable, radio, microwave, light, optics, or computer data networks. The term does not include the Internet.

8. "Group I licensee" means a Group I licensee as that term is defined in Regulation 6.010.

9. "Group II licensee" means a Group II licensee as that term is defined in Regulation 6.010.

10. "Internet" means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

11. "Key employee" means an employee in any of the classes described in subsection 1 of Nevada gaming commission Regulation 3.100, other than an employee meeting only the description in paragraph (e) of that subsection.

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

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

14. "Operator of a call center" means a person who, as an agent of a licensed Nevada book, engages in the business of operating a call center system as a means of providing patron services to assist a patron located in this state to convey wagering instructions to one or more licensed Nevada books. An operator of a call center does not accept wagers. A licensed Nevada book operating a call center on the premises of their gaming establishment or any affiliated licensed gaming establishment, with participation limited to affiliated licensed gaming establishments, is not an operator of a call center.

15. "Outstation book" means a book, other than a satellite book, that shares the computerized bookmaking system and certain management or administrative functions of a book operated by an affiliated licensee, as defined in NRS 463.430(3)(b).

16. "Post time" means, unless an earlier time is required by regulation in the state where the race is run:

(a) For users of live broadcasts and for buyers of audible announcements of post time from disseminators of live broadcasts, the later of either the time when the disseminator transmits an audible announcement of the post time, or when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the chairman.

(b) For races broadcast live on a national television network for which an agreement has been reached with a disseminator to provide an audible announcement of post time, that time when the disseminator relying upon information obtained independently of the television broadcast, transmits an audible announcement of post time which must be no later than when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the chairman.

(c) For licensed race books that, pursuant to an agreement with a licensed systems operator, use a computerized bookmaking system that allows the systems operator to close wagering via electronic remote access, that time when the race is started by, as applicable, the opening of the gates and/or box, the starting gate car begins to close its arms, or such other method used by the track and administratively approved by the chairman, as determined by the systems operator through information the systems operator independently receives from a disseminator.

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

17. "Race book" means a business that accepts wagers on horse or other animal races.

18. "Satellite book" means a book that has been licensed pursuant to the provisions of NRS 463.245(3).

19. "Secure personal identification" means an encoded alpha-numeric character code or any other method of identifying the patron as approved by the chairman through which the book may verify a wager or account transaction was authorized by the patron.

20. "Sports pool" means a business that accepts wagers on sporting events or other events, other than horse or other animal races. The term includes, but is not limited to, a business that accepts sports parlay card wagers as defined in Regulation 22.090. The term "other events" includes, but is not limited to, virtual events which are not prohibited by Regulation 22.120.

21. "Wagering account" means an electronic ledger wherein the following types of transactions relative to sports and nonpari-mutuel race wagers are recorded:

(a) Deposits;

(b) Withdrawals;

(c) Amounts wagered;

(d) Amounts paid on winning wagers;

(e) Amounts paid for horse racing-related services or merchandise;

(f) Service or other transaction-related charges authorized by the patron; and

(g) Adjustments to the account.

22. "Wagering communication" means the transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

23. "Wagering instructions" means the instructions given to an operator of a call center by a patron who maintains a wagering account at a book to effect a wagering communication to the book.

(Adopted: 7/85. Effective: 9/1/85. Amended: 7/87; 11/98; 6/20/02; 9/05; 6/30/07; 8/21/08; 2/26/15.)

22.020 License required; applications.

1. No person may operate or own any interest in a race book or sports pool in Nevada unless that person holds a nonrestricted gaming license specifically permitting the person to do so.

2. Applications for a license to operate a race book or a license to operate a sports pool must be made, processed, and determined in the same manner as applications for nonrestricted gaming licenses, using such forms as the chairman may require.

3. Each application for approval made by a Group I licensee must be accompanied by an internal control system prepared and submitted in accordance with Regulation 6 and this regulation.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 9/05.)

22.030 Book key employees. [Repealed: 1/1/99.]

22.032 Finding of suitability required to operate a call center; applications.

1. A person shall not function as the operator of a call center unless the person has been found suitable pursuant to chapters 463 and 464 of the Nevada Revised Statutes to operate a call center under this regulation or Regulation 26C.

2. Applications for a finding of suitability to function as the operator of a call center must be made, processed, and determined using such forms as the chairman may require or approve.

(Adopted: 8/21/08. Effective: 8/21/08.)

22.035 Registration of employees. [Repealed: 11/21/13.]

22.037 Employees of an operator of a call center. Any employee of an operator of a call center who fulfills the function of receiving and transmitting wagering instructions and any

employee supervising this function is a gaming employee and subject to the provisions of NRS 463.335 and 463.337.

(Adopted: 8/21/08. Effective: 8/21/08.)

22.040 Reserve requirements.

1. Unless the chairman for good cause permits or requires a different amount, each book shall at all times maintain a reserve of not less than the greater of \$25,000 or the sum of the following amounts:

- (a) Amounts held by the book for the account of patrons;
- (b) Amounts accepted by the book as wagers on contingencies whose outcomes have not been determined; and
- (c) Amounts owed but unpaid by the book on winning wagers through the period established by the book for honoring winning wagers.

2. Before beginning operations, each newly-licensed book must establish a reserve of at least the greater of \$25,000 or the amount the chairman projects will at least equal the sum of the amounts specified in paragraphs (a), (b) and (c) of subsection 1 at the end of the first week of the book's operation. After the book begins operations, the book's reserve must comply with subsection 1.

3. The reserve described in subsections 1 and 2 must be maintained in the form of cash, cash equivalent, an irrevocable letter of credit, a bond, or a combination thereof. Except as otherwise provided in subsection 4, the reserve must be unencumbered and must not be commingled with funds of the book or any of its owners, employees, affiliates, or other persons or entities associated with the book.

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

5. If a reserve is maintained in the form of cash, cash equivalent, or an irrevocable letter of credit, it must be held or issued, as applicable, by a federally-insured financial institution. If the reserve is maintained in the form of a bond, it must be written by a bona fide insurance carrier. The reserve must be established pursuant to a written agreement between the book and the financial institution or insurance carrier, but the book may engage an intermediary company or agent acceptable to the chairman to deal with the institution or carrier, in which event the reserve may be established pursuant to written agreements between the book and the intermediary and the financial institution or insurance carrier.

6. The agreements described in subsection 5 must reasonably protect the reserve against claims of the book's creditors other than the patrons for whose benefit and protection the reserve is established, and must provide that:

- (a) The reserve is established and held in trust for the benefit and protection of patrons to the extent the book holds money for their account, has accepted wagers from them on contingencies whose outcomes have not been determined, or owes them on winning wagers;
- (b) The reserve must not be released, in whole or in part, except to the board on the written demand of the chairman or to the book on the written instruction of the chairman. The reserve must be available within 60 days of the written demand or written notice. The book may receive income accruing on the reserve unless the chairman instructs otherwise pursuant to subsection 13;
- (c) The book has no interest in or title to the reserve or income accruing on the reserve except to the extent expressly allowed in this section;
- (d) Nevada law and this section govern the agreements and the book's interest in the reserve and income accruing on the reserve;
- (e) The agreements are not effective until the chairman's approval has been obtained pursuant to subsection 7; and
- (f) The agreements may be amended only with the prior, written approval of the chairman.

7. Each book shall submit to the chairman all information and copies of all documents relating to its proposed reserve arrangement, including copies of the agreements described in subsections 5 and 6, and must obtain the chairman's approval of the agreements and of the reserve arrangement generally. The chairman shall determine whether the agreements and arrangement satisfy the purposes and requirements of this section, may require appropriate

changes or withhold approval if they do not, and shall notify the book of the determination. Amendments to reserve agreements or arrangements must be approved in the same manner.

8. A book must calculate its reserve requirement each day. In the event a book determines that its reserve is not sufficient to cover the calculated requirement, the book must, within 24 hours, notify the chairman of this fact in writing and must also indicate the steps the book has taken to remedy the deficiency.

9. Each book must engage an independent certified public accountant to examine the pertinent records relating to the reserve each month and determine the reserve amounts required by this section for each day of the previous month and the reserve amounts actually maintained by the book on the corresponding days. The book shall make available to the accountant whatever records are necessary to make this determination. The accountant shall report the findings with respect to each day of the month under review in writing to the board and the book no later than the tenth day of the next month. The report shall include the licensee's statement addressing each day of noncompliance and the corrective measures taken.

10. The report described in subsection 9 may be prepared by an employee of the licensee that is independent of the book if written approval has been received from the chairman. The report must contain the signature of an employee attesting to the accuracy of the submitted information.

11. If the chairman is notified pursuant to subsection 8, or the report described in subsection 9 indicates that at any time during the month under review the amount of the reserve did not meet the requirements of this section, the chairman may instruct the book to either increase the reserve accordingly or cease accepting wagers and money for the account of patrons until such time as the reserve meets the requirements of this section and is confirmed to the chairman's satisfaction.

12. If the report indicates that the amount of the reserve exceeds the requirements of this section, the chairman shall, at the book's request, instruct the financial institution, insurance carrier, or intermediary to remit the excess to the book or, in the case of a bond, to reduce the bond accordingly.

13. When a book ceases operating and its license lapses or is surrendered or revoked, the chairman may demand payment of the reserve, any income accruing on the reserve after operations cease, and, if instructions from the chairman that income accruing on the reserve not be paid to the book are in effect when operations cease, any income accruing since the instructions took effect. The board may interplead the funds in state district court for distribution to the patrons for whose protection and benefit the reserve was established and to such other persons as the court determines are entitled thereto, or shall take such other steps as are necessary to effect the proper distribution of the funds, or may do both.

14. As used in this section, "month" means a calendar month unless the chairman requires or approves a different monthly period to be used for purposes of this section, in which case "month" means the monthly period so required or approved.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 11/98; 9/05.)

22.050 Issuance and control of betting tickets.

1. Immediately upon accepting a wager, other than an account wager, the book shall create a betting ticket on which the terms of the wager are written.

2. Betting tickets must bear the name and address of the book.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 9/05.)

22.060 Acceptance of wagers.

1. Books may not accept wagers unless made with cash, chips, tokens, or other representatives of value approved by the chairman, or against credits made to a wagering account as provided for in Regulation 22.160 or on credit extended in accordance with the provisions of chapter 463 of NRS and the regulations of the Nevada gaming commission.

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

3. A book shall not knowingly accept money or its equivalent ostensibly as a wager upon an event whose outcome has already been determined. A licensed sports pool shall not accept a wager on an event unless the date and time at which the outcome of the event is determined can be confirmed from reliable sources satisfactory to the chairman or from records created and maintained by the book in such manner as the chairman may approve.

4. Licensed sports pools may accept wagers, including parlay card wagers, as to which of the participating contestants will win specified sports events and as to whether the total points scored in a specified game, match, or similar sports event will be higher or lower than a number specified for that event. Licensed sports pools shall not accept wagers, including parlay card wagers, on other contingencies unless their outcomes are reported in newspapers of general circulation or in official, public records maintained by the appropriate league or other governing body, or unless the pertinent sports events are televised live at the book and a book employee other than a betting ticket writer monitors the telecast, records the occurrence of the pertinent events and contingencies simultaneously with their occurrence, and records the time of their occurrence.

5. No book or agent or employee of a book may accept a wager from a person who the book, agent, or employee knows or reasonably should know is a messenger bettor or is placing the wager in violation of state or federal law.

6. No book may hold a patron's money or its equivalent on the understanding that the book will accept the money as a wager only upon the occurrence of a specified, future contingency, unless a betting ticket documenting the wager and contingency is issued immediately when the book receives the money or its equivalent.

7. A race book or sports pool may not accept wagers on a race or sporting event unless the wagering proposition is posted. Propositions may be posted by electronic or manual means, including printed media. If posted propositions are not updated simultaneously with actual changes to the propositions, an announcement, audible throughout the race book or sports pool, must be made simultaneously with the actual changes followed by updating the posted propositions within a time specified in the house rules.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 7/87; 11/98; 9/05; 6/30/07.)

22.061 Wagers in excess of \$10,000.

1. Prior to accepting any nonpari-mutuel wager in excess of \$10,000 the book shall:

- (a) Obtain the patron's name;
- (b) Obtain or reasonably attempt to obtain the patron's permanent address and social security number;
- (c) Obtain one of the following identification credentials from the patron:
 - (1) Driver's license;
 - (2) Passport;
 - (3) Non-resident alien identification card;
 - (4) Other reliable government issue identification credentials; or
 - (5) Other picture identification credential normally acceptable as a means of identification when cashing checks; and
- (d) Examine the identification credential obtained to verify the patron's name, and to the extent possible, to verify the accuracy of the information obtained pursuant to paragraph (b).

2. Prior to accepting a nonpari-mutuel wager in excess of \$10,000, if a book knows a person is placing a wager allowed by the Nevada Revised Statutes and these regulations on behalf of another person, the licensee shall obtain and record the information required by paragraphs (a) through (d) of subsection 1 with respect to the person placing the wager, and the licensee shall reasonably attempt to obtain and, to the extent obtained, shall record the information required by paragraphs (a) through (d) of subsection 1 with respect to the person for whom the wager was placed.

3. Subsequent to accepting a nonpari-mutuel wager in excess of \$10,000 the book shall record or maintain records that include:

- (a) The patron's name and, if applicable, the agent's name;
- (b) The patron's address and, if applicable, the agent's address;

- (c) The patron's social security number and, if applicable, the agent's social security number;
- (d) A description including any document number of the identification credential examined (or credential information on file for known patrons) and, if applicable, for the agent;
- (e) The amount of the wager;
- (f) Window number or other identification of the location where the wager occurred;
- (g) The time and date of the wager;
- (h) The name and signature of the book employee accepting or approving the wager; and
- (i) Any other information as required by the chairman.

A book shall not implement alternative procedures to comply with this subsection without the written approval of the chairman.

4. As used in this section, a "known patron" means an individual patron known to the book employee accepting the wager, for whom the licensee has previously obtained the patron's name and identification credential, and with respect to whom the licensee has on file and updates, at least every three years, all the information required to be recorded pursuant to this section.

5. As used in this section, a "listed patron" means a known patron for whom the book has requested and received approval from the chairman to exclude wagers placed by the patron from the reporting requirements of this section. If the chairman does not deny the request for approval within 15 days of receipt of the request, the request will be deemed to be approved. All approvals may be revoked at any time at the discretion of the chairman, and are conditioned that the patron's wagers remain subject to the identification and recordkeeping requirements of subsections 1 through 4 and of Regulations 22.062 and 22.063. A book's written request to have a patron approved as a listed patron shall include:

- (a) The patron's name;
- (b) The patron's residence, mailing or business address;
- (c) The patron's social security number;
- (d) The patron's identification credential information including any document number and expiration date;
- (e) The patron's birth date;
- (f) A recent photograph of the patron's face or a copy of a current picture identification credential;
- (g) A description of the patron's book wagering activity including the use of any wagering accounts or credit accounts including account numbers;
- (h) A statement as to why the book desires to have the patron approved as a listed patron and an acknowledgment that the book believes that the patron is not involved in illegal wagering activity;
- (i) The signature of the licensee or an officer of the licensee; and
- (j) Any other information as required by the chairman.

All records related to the patron's activity supporting the request shall be available for board review.

6. Each book shall report the wagers required to be recorded pursuant to this section, excluding any wagers accepted from listed patrons, on a "Book Wagering Report," a form published or approved by the chairman that includes, but is not limited to:

- (a) The patron's and agent's (if applicable) name;
- (b) The patron's and agent's (if applicable) identity credential information;
- (c) The patron's and agent's (if applicable) social security number;
- (d) Wager amounts; and
- (e) Date of transactions.

Reports shall be submitted to the board no later than 15 days after the end of the month of the occurrence of the transaction and in such manner as the chairman may approve or require. Each book shall file an amended report if the licensee obtains information to correct or complete a previously submitted report, and the amended report shall reference to the previously submitted report. Each book shall retain a copy of each report filed for at least 5 years unless the chairman requires retention for a longer period of time.

(Adopted: 11/98. Effective: 3/1/99. Amended: 9/05; 6/07; 11/15.)

22.062 Multiple wagers.

1. A book and its employees and agents shall not knowingly allow, and each book shall take reasonable steps to prevent, the circumvention of Regulation 22.061 by multiple wagers within its designated 24-hour period with a patron or a patron's agent or by the use of a series of wagers that are designed to accomplish indirectly that which could not be accomplished directly. As part of a book's efforts to prevent such circumventions relative to Regulation 22.061 a book shall establish and implement wagering multiple transaction logs.

2. Each book shall record in a wagering multiple transaction log all nonpari-mutuel wagers in excess of \$5,000, or in smaller amounts that aggregate in excess of \$5,000 when any single officer, employee, or agent of the book has actual knowledge of the wagers or would in the ordinary course of business have reason to know of the wagers between the book and a patron or a person who the book knows or has reason to know is the patron's confederate or agent. This record shall be made for nonpari-mutuel wagers occurring during a designated 24-hour period, within a monitoring area.

3. Each log entry in a wagering multiple transaction log shall be made by the employee accepting or approving the wager, immediately after accepting the wager, and shall include at a minimum:

- (a) Description of the patron (or agent), which may include such identifiers as age, sex, race, eye color, hair, weight, height and attire, if the person is present when the wager is accepted;
- (b) Patron's name and agent's name, if known;
- (c) Window number or other identification of the location where the wager occurred;
- (d) Time and date of the wager;
- (e) Dollar amount of the wager; and
- (f) Signature of person accepting or approving the wager.

One log shall be maintained for each monitoring area, for each designated 24-hour period. A log is completed for each 24-hour period regardless of whether any nonpari-mutuel wagers occurred. At the conclusion of each designated 24-hour period, the last entry on the log shall be an indication that the end of the designated 24-hour period has occurred. A book shall not implement alternative procedures or records to comply with this subsection without the written approval of the chairman.

4. Each book shall aggregate all nonpari-mutuel wagers in excess of \$5,000 or smaller amounts when any single officer, employee, or agent of the book has actual knowledge of the wagers or would in the ordinary course of business have reason to know of the wagers between the book and a patron or a person who the book knows or has reason to know is the patron's confederate or agent during a designated 24-hour period within a monitoring area.

5. Before completing a wager that, when aggregated with other wagers pursuant to subsection 4, will aggregate to an amount that will exceed \$10,000, the book shall complete the identification and recordkeeping requirements described in subsection 1 of Regulation 22.061. When aggregated wagers exceed \$10,000, the book shall complete the recording and reporting requirements of Regulation 22.061.

6. If a patron places a wager that pursuant to subsection 4 is to be aggregated with previous wagers for which a record has been completed pursuant to this section or Regulation 22.061, the book shall complete the identification, recordation and reporting procedures described in Regulation 22.061 for any additional wager regardless of amount occurring during a designated 24-hour period.

7. As used in this section:

- (a) "Designated 24-hour period" means the 24-hour period ending at midnight each day unless otherwise approved by the chairman.
- (b) "Monitoring area" means all race book and sports pool writing locations unless otherwise approved by the chairman.

(Adopted: 11/98. Amended: 6/30/07; 8/21/08. Effective: 3/1/99.)

22.063 Structured wagers.

1. A book, its officers, employees or agents shall not encourage or instruct the patron to structure or attempt to structure wagers. This subsection does not prohibit a book from informing

a patron of the regulatory requirements imposed upon the book, including the definition of structured wagers.

2. A book, its officers, employees or agents shall not knowingly assist a patron in structuring or attempting to structure wagers.

3. As used in this section, "structure wagers" or "structuring wagers" means to willfully conduct or attempt to conduct a series of wagers in any amount, at one or more books, on one or more days in any manner as to willfully evade or circumvent the recording and reporting requirements of Regulation 22.061. The wager or wagers need not exceed the dollar thresholds in Regulation 22.061 at any single book in any single day in order to constitute structuring within the meaning of this definition.

(Adopted: 11/98. Effective: 3/1/99.)

22.064 Required submissions to the board. [Repealed: 6/30/07.]

22.065 Imposition of supplemental recordkeeping and reporting requirements. The chairman may require a book to comply with the identification, recordkeeping, and reporting requirements of Regulations 22.061 and 22.062 for pari-mutuel wagers. The chairman shall notify the book of the decision, in writing, and such decision shall be considered an administrative decision, and therefore reviewable pursuant to the procedures set forth in Regulations 4.185, 4.190 and 4.195.

(Adopted: 11/98. Effective: 3/1/99. Amended: 9/05.)

22.070 Grading of betting tickets. [Repealed: 1/1/99.]

22.080 Payment of winning wagers.

1. Except as otherwise provided in this subsection, books shall make payment on a winning wager to the person who presents the patron's copy of the betting ticket representing the wager. A book need not make payment to a person who the book or an agent or employee of the book knows is not the person to whom the patron's copy was issued. A book shall not make payment on a winning wager to a person who the book or its agent or employee knows or reasonably should know is collecting the payment on behalf of another for monetary consideration or in violation of federal law.

2. Presentment of the betting ticket and payment of the winning wager may be made at an affiliated book provided that:

(a) An adequate accounting of the payment is kept for 5 years by both books; and

(b) The payout is properly included in the computation of gross revenue of the licensee that initially accepted the wager.

3. Books shall honor winning betting tickets for 30 days after the conclusion of the event wagered upon unless a longer period is established by the book. The book shall state the redemption period on each betting ticket, in house rules and on notices conspicuously placed about the licensed premises. Payment by mail may be made only after presentment of the betting ticket, and must be made not later than 10 days after presentment.

4. A licensed race book shall determine the winners of or payouts on wagers on horse and other animal races only with information the book receives from licensed disseminators pursuant to Regulations 20 and 21.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/86; 7/87; 11/98; 9/05.)

22.090 Parlay card wagers.

1. As used in this section, "parlay card wager" means a wager on the outcome of a series of 3 or more games, matches, or similar sports events or on a series of 3 or more contingencies incident to particular games, matches or similar sports events.

2. Each sports pool that offers to accept parlay card wagers shall fully, accurately, and unambiguously disclose on all parlay card wagering forms:

(a) The amounts to be paid to winners or the method by which such amounts are to be determined and, if the sports pool limits payouts to an aggregate amount under subsection 3, the aggregate amount and the establishments to which it applies.

- (b) The effect of ties.
- (c) The minimum and maximum betting limits, if any.
- (d) The procedure for claiming winnings, including but not limited to the documentation players must present to claim winnings, time limits, if any, for claiming winnings, whether winnings may be claimed and paid by mail and, if so, the procedure for claiming winnings by mail.
- (e) The effects of an event wagered on not being played on the date specified and of other events that will cause selections to be invalid.
- (f) The requirement that a parlay card wager must consist of at least three selections that have not become invalid under applicable house rules or the wager will be void and the money wagered will be refunded.
- (g) The rights, if any, reserved by the sports pool, including but not limited to reservation of the right to refuse any wager or delete or limit any selection prior to the acceptance of a wager, or to withhold payouts of specified amounts until the outcome of each proposition offered by the parlay card has been determined.
- (h) The requirement that the point spreads printed on the parlay card wagering form when the wager is accepted will be used to determine the outcomes of the wagers.
- (i) That the sports pool's house rules apply to parlay cards unless otherwise stated on the parlay card wagering form.

3. As used in this subsection, "parlay card" means a wagering form offering exactly the same propositions on exactly the same terms.

(a) A sports pool, a sports pool and its outstation books, or a sports pool and its satellite books may limit the aggregate amount to be paid to winners on a parlay card in proportion to the amounts won, provided that the aggregate limit must not be less than the amount disclosed on the parlay card (the "base amount") plus twice the amount wagered on the parlay card at all establishments to which the aggregate limit applies.

(b) When a sports pool knows or reasonably should know that actual payouts on a parlay card will be limited by an aggregate amount established under paragraph (a), the sports pool shall cease accepting wagers and making payouts on the parlay card. After the outcome of the final game, match, or event covered by the parlay card has been determined, the sports pool shall pay each winner at least that proportion of the payout amount stated on the parlay card that the aggregate limit bears to total payouts (including payouts made prior to the suspension of payouts) that would otherwise have been made but for the limit.

(c) When a book ceases accepting wagers and making payouts on a parlay card under paragraph (b), the book may accept wagers on the parlay card on those propositions whose outcomes have not been determined if the parlay card, patron receipts, and related documentation are distinguishable from the card, receipts, and documentation as to which the book has ceased accepting wagers, in which case the parlay card shall be considered a different parlay card for purposes of this subsection.

(d) If a book pays the winner of a parlay card wager more than 10 percent of the base amount established under paragraph (a) before the outcome of every proposition offered by the parlay card has been determined, the book must pay every winner of a wager on that parlay card the proper payout amount stated on the parlay card in full and without regard to any aggregate limit established under paragraph (a).

(e) In specific cases the commission may waive or impose requirements more restrictive than the requirements of this subsection.

(Adopted: 7/85. Amended: 3/91; 11/98; 9/05.)

22.100 Computerized bookmaking systems. Before beginning operations, each book shall install and thereafter maintain a computerized bookmaking system meeting the specifications approved by the chairman.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 11/98. Effective: 1/1/99.)

22.110 Layoff bets. Books may accept wagers placed by other books. Books may place wagers only with other books. A book that places a wager shall inform the book accepting the wager that the wager is being placed by a book and shall disclose its identity.

(Adopted: 7/85. Effective: 9/1/85.)

22.115 Prohibition against rescission of wagers. A book may not unilaterally rescind any wager without the prior written approval of the chairman.

(Adopted: 5/89. Amended: 9/05.)

22.120 Prohibited wagers; exception for an event other than a horse race, greyhound race, or an athletic sports event.

1. No wagers may be accepted or paid by any book on:

(a) Any amateur sport or athletic event other than;

(1) Olympic sporting or athletic events sanctioned by the International Olympic Committee, subject to limitation by the chairman or the chairman's designee in his sole and absolute discretion, and

(2) Collegiate sporting or athletic events;

(b) Any collegiate sport or athletic event which the licensee knows or reasonably should know, is being placed by, or on behalf of a coach or participant in that collegiate event. Each licensee shall take reasonable steps to prevent the circumvention of this regulation;

(c) The outcome of any election for any public office both within and without the State of Nevada;

(d) Any event, regardless of where it is held, involving a professional team whose home field, a court, or base is in Nevada, or any event played in Nevada involving a professional team, if, not later than 30 days before an event or the beginning of a series of events, the team's governing body files with the commission a written request that wagers on the event or series of events be prohibited, and the commission approves the request;

(e) Any virtual event unless:

(1) An approved gaming device is used to determine the outcome(s) and display an accurate representation of the outcome(s) of the virtual event;

(2) A live display of the virtual event is offered to all approved sports pools; and

(3) The virtual event is approved pursuant to the procedures set forth in subsection 2(f); and

(f) Any event other than a horse race, greyhound race, or an athletic sports event, unless such event is:

(1) Administratively approved by the chairman in writing in accordance with subsection 3;

(2) After referral from the chairman, approved by the commission in accordance with subsection 5; or

(3) Approved by the board after review pursuant to Regulation 4.190 or, if applicable, approved by the commission after review pursuant to Regulation 4.195.

2. A request for approval to accept wagers on an event other than a horse race, greyhound race, or an athletic sports event shall be made by a book on such forms approved by the chairman, and shall include:

(a) A full description of the event and the manner in which wagers would be placed and winning wagers would be determined.

(b) A full description of any technology which would be utilized to offer the event.

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

(1) The event could be effectively supervised;

(2) The outcome of the event would be verifiable;

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

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

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

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

(d) Such additional or supplemental information as the chairman may require.

↳ The decision whether to grant approval to accept wagers on an event other than a horse race, greyhound race, or an athletic sports event shall be based on all relevant information including, but not limited to, the factors in subsection 2(c) of this section. The chairman may subject any technology that would be utilized to offer the event to such testing, investigation and approval process as he deems appropriate.

3. The chairman may refer a request for approval to the full board and commission for consideration, or grant, deny, limit, restrict or condition a request made pursuant to subsection 2 for any cause he deems reasonable. A book aggrieved by an administrative decision of the

chairman may submit the matter for review by the board and commission pursuant to NGC Regulations 4.185 through 4.195, inclusive.

4. The chairman is hereby granted the authority to issue an interlocutory order, revoking or suspending any administrative approval granted pursuant to subsection 3 for any cause deemed reasonable. An interlocutory order shall be deemed delivered and effective when personally served upon the book, or if personal service is impossible or impractical, when deposited, postage prepaid, in the United States mail, to the book at its address as shown in the records of the commission. If an interlocutory order revoking or suspending the administrative approval is issued, the effected book may request that the order be reviewed by the board and commission pursuant to NGC Regulation 4.185 through 4.195, inclusive.

5. Whenever the chairman refers a request for approval to the board and commission for consideration, the request shall be deemed an application and the book which submitted the request shall submit the application fee set forth in subsection 3 of NGC Regulation 4.070. Such application shall be included on the agenda of the next regularly scheduled meeting of the board occurring more than 10 working days after receipt of the application fee and, thereafter, on the agenda of the next regularly scheduled meeting of the commission. The commission, after considering the recommendation of the board, may grant, deny, limit, restrict or condition the application for any cause it deems reasonable and the decision of the commission shall be final and shall not be subject to any further administrative or judicial review.

6. Upon approval of the acceptance of wagers on an event other than a horse race, greyhound race, or an athletic sports event pursuant to the provisions of subsection 1(f), the board shall provide public notice of such approval including any conditions and limitations placed on such approval. Such notice shall occur by publication on the board's website as close as practicable to the time at which the commission, chairman, or board approves the other event. Thereafter, any book may accept wagers on such other event pursuant to the approval and any conditions and limitations placed thereon.

7. For purposes of subsection 1, "professional team" means two or more persons who join together to participate in athletic sports events and who receive any compensation in excess of actual expenses for their participation in such events.

8. For purposes of this regulation, "collegiate sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level.

(Adopted: 7/85. Amended 1/01; 9/05; 1/11; 2/26/15.)

22.121 Reports of suspicious wagers.

1. As used in this section, "suspicious wager" means a wager which a sports pool licensee knows or in the judgment of it or its directors, officers, employees and agents has reason to suspect is being attempted or was placed:

(a) In violation of or as part of a plan to violate or evade any federal, state or local law or regulation prohibiting wagering on any amateur non collegiate or collegiate sport or athletic event;

(b) In violation of or as part of a plan to violate or evade any federal, state or local law or regulation prohibiting wagering by, or on behalf of, a coach or participant in a collegiate sport or athletic event; or

(c) Has no business or apparent lawful purpose or is not the sort of wager which the particular patron would normally be expected to place, and the sports pool licensee knows of no reasonable explanation for the wager after examining the available facts, including the background of the wager.

2. A sports pool licensee:

(a) Shall file with the board, by using a form developed by the board, a report of any suspicious wager, if it involves or aggregates to more than \$5,000 in funds or other assets; and

(b) May file a report of any suspicious wager, regardless of the amount if the licensee believes it is relevant to the possible violation of any law or regulation.

3. The report in subsection 2(a) shall be filed no later than 7 calendar days after the initial detection by the licensee of facts that may constitute a basis for filing such a report. If no suspect was identified on the date of the detection of the incident requiring the filing, a licensee may delay filing a report for an additional 7 calendar days to identify a suspect. In no case shall reporting be delayed more than 14 calendar days after the date of initial detection of a reportable transaction.

In situations involving violations that require immediate attention, the licensee shall immediately notify, by telephone, the board in addition to timely filing a report.

4. A licensee shall maintain a copy of any report filed and the original or business record equivalent of any supporting documentation for a period of five years from the date of filing the report. Supporting documentation shall be identified, and maintained by the licensee as such, and shall be deemed to have been filed with the report. A licensee shall make all supporting documentation available to the board and any appropriate law enforcement agencies upon request.

5. A licensee and its directors, officers, employees, or agents who file a report pursuant to this regulation shall not notify any person involved in the transaction that the transaction has been reported. Any report filed with the board is confidential under NRS 463.120 and is privileged under NRS 463.3407 and may be disclosed only by the board and the commission in the necessary administration of their duties and responsibilities under the Nevada Gaming Control Act. Any report, whether written or oral, is absolutely privileged under NRS 463.3407 and does not impose liability for defamation or constitute a ground for recovery in any civil action.

6. For purposes of this regulation, "collegiate sport or athletic event" means a sport or athletic event offered or sponsored by or played in connection with a public or private institution that offers educational services beyond the secondary level.

(Adopted: 1/01. Effective: 02/07/01. Amended: 8/21/08.)

22.125 Wagers; terms and conditions.

1. No book shall:

(a) Accept from a patron, directly or indirectly, less than the full face value of an off-track pari-mutuel wager;

(b) Agree to refund or rebate to a patron any portion or percentage of the full face value of an off-track pari-mutuel wager; or

(c) Increase the payoff of, or pay a bonus on, a winning off-track pari-mutuel wager.

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

2. A book shall not, in an attempt to provide a benefit to the patron in violation of subsection 1, offer a wagering proposition, or set or move its wagering odds, lines or limits.

3. The chairman may require a book to:

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

(b) Document and report, in such manner as the chairman may approve or require, wagering limits, temporary changes to such limits, or the acceptance of a wager or series of wagers from the same patron that exceeds such limits. The report may include, but is not limited to:

(1) Recording the name of the patron for which betting limits are changed or exceeded;

(2) Recording the name of the employee approving the acceptance of a wager that exceeds betting limits or causes a change in betting limits;

(3) Describing the nature of the temporary change and any related wagers; and

(4) Describing how the temporary change in limit will benefit the licensee.

The chairman shall notify the book, in writing, of the decision to impose such requirements and such decision shall be considered an administrative decision and, therefore, reviewable pursuant to the procedures set forth in Regulations 4.185, 4.190 and 4.195.

4. A book shall not set lines or odds, or offer wagering propositions, designed for the purpose of ensuring that a patron will win a wager or series of wagers.

(Adopted: 12/98. Effective: 1/1/99. Amended 9/05.)

22.130 Communications technology.

1. Before installing or permitting the installation of any communications technology on the premises of a book or a call center, the book or the call center shall notify the chairman in writing of the location and number or other identifier of each communications technology and shall obtain the written approval of the chairman for each communications technology. The chairman may condition the approval in any manner the chairman considers appropriate.

2. Before a book accepts any wagering communications, and before a call center accepts any wagering instructions, the book and the call center must obtain the written approval of the chairman to accept such wagering communications and wagering instructions, and thereafter use only the communications technology approved for that purpose. The book or the call center must obtain written permission from the chairman by March 1st of each calendar year to continue using the communications technology.

3. As a condition to the granting of the privilege of having communications technology upon the licensed premises, the book and the call center shall be deemed to have consented to the authority of the chairman to require the immediate removal of any communications technology from the licensed premises at any time without prior notice of hearing. After any such removal, the book or the call center may request a hearing before the board as to whether or not circumstances may warrant the permanent revocation of the privilege of having communications technology upon the premises.

4. Upon the request of either the board or commission, a book or a call center shall provide a written consent for the board or commission to examine and copy the records of any telephone, telegraph, or other communications company or utility that pertain to the operation of the book or the call center.

5. A call center system is associated equipment requiring approval pursuant to Regulation 14.260.

6. A book receiving wagering instructions from a call center system shall comply with the requirements of Regulation 14.290 prior to the use of this system.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 9/05; 8/21/08.)

22.135 Use of communications devices prohibited. [Repealed: 8/21/08.]

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

1. A book may only accept a sports wager, nonpari-mutuel race wager, or other event wager made in person unless the transmission of a wager is initiated from within the State of Nevada. Each book must conspicuously display signs to that effect on its premises.

2. An operator of a call center shall not accept wagering instructions for sports wagers, nonpari-mutuel race wagers, or other events wagers unless the transmission of the wagering instructions is initiated from within the State of Nevada.

3. A book may only accept a pari-mutuel horse race wager made in person unless a pari-mutuel horse race account wager is accepted pursuant to the provisions of Regulation 26C. Each book must conspicuously display signs to that effect on its premises.

4. Each Group I licensee that accepts wagering communications shall establish and implement pursuant to Regulation 6 a system of internal control for such transactions, and comply with both its system of internal control and the Regulation 6.090 minimum internal control standards. Each Group II licensee that accepts wagering communications shall comply with the Regulation 6.100 internal control procedures.

5. Each book shall prepare a written description of its rules and procedures for wagering communications, and shall furnish a copy to each patron for whom a wagering account is established.

6. Each book shall issue each patron or authorized employee of a book a secure personal identification reasonably designed to prevent the acceptance of wagers from persons other than the patrons or authorized employees of books for whom wagering accounts are established. More than one patron or authorized employee of a book may be assigned to a single wagering account; however, each patron or authorized employee of a book assigned to an account must comply with the provisions of subsections 7, 8, and 9.

7. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, on any nonpari-mutuel race wager, or on any other event wager:

(a) The patron must personally appear before employees of the book to open a wagering account. If the patron does not appear personally at the premises of the book or, for central site

books, at an outstation, satellite or affiliated book, to open a wagering account, a book must file a request with the chairman for permission to have its employees open wagering accounts outside the premises of the book. The request must include a comprehensive marketing plan setting out, at a minimum, the types of locations and types of potential patrons to which a book intends to send its employees for the purposes of opening wagering accounts. A book may not act under its marketing plan prior to the chairman approving the request. The chairman may impose limitations and conditions on any approved request. The chairman may rescind his approval of a request of a book to have its employees open wagering accounts outside the premises of the book upon written notice to the book. Wagering accounts may not be opened outside the State of Nevada;

(b) For an individual patron, an employee of the book must examine, in the patron's presence, the patron's:

- (1) Driver's license;
- (2) Passport;
- (3) Non-resident alien identification card;
- (4) Other reliable government issue identification credential; or
- (5) Other picture identification credential normally acceptable as a means of identification when cashing checks;

(c) For an individual patron, the employee must record:

- (1) The patron's name, permanent home address (other than a post office box number), and home telephone number;
- (2) The patron's mailing address and, if the mailing address is not a post office box number and is a residence or place of business of the patron, the telephone number of the resident or place of business;
- (3) The patron's date of birth, gender, a description and number of the identity credential examined, and social security number, for United States residents only;
- (4) The method used to verify the patron's identity and residence, and a description, including the document number, of the identity credential examined;
- (5) The patron's approved credit limit or the amount of the patron's initial wagering account or front money deposit;
- (6) The patron's account number with the book; and
- (7) The date the patron's account with the book is opened;

(d) For a business entity patron, the patron must provide an employee of the book with the information required pursuant to NRS Chapter 463. The employee must record such information;

(e) The patron must sign, in the presence of a supervising employee of the book, statements attesting that the patron:

- (1) Confirms the accuracy of the information recorded;
- (2) Has received a copy of the book's rules and procedures for wagering communications;
- (3) Has been informed and understands that patrons that establish a wagering account pursuant to this subsection 7 are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;
- (4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C; and

(5) Consents to the monitoring and recording by the board of any wagering communications; and

(f) The employee who verifies the patron's identity and residence and who obtains and records the information on behalf of the book and the supervising employee described in subparagraph (e), must each sign statements that they witnessed the patron's signature and confirmed the patron's identity and residence.

8. Before a book accepts a wagering communication, or a call center accepts a wagering instruction, on any sporting event wager, nonpari-mutuel race wager, or other event wager from another book:

(a) The authorized employee of the other book must personally appear at the premises of the book or, for central site books, at an outstation, satellite or affiliated book, to open a wagering account;

(b) The book employee must record:

(1) The authorized employee of the other book's name, permanent business address (other than a post office box number), and business telephone number;

(2) the documents used to verify the other book is a book, the authorized employee is an employee of the other book and is authorized to open this wagering account;

(3) The amount of the authorized employee of the other book's initial wagering account or front money deposit;

(4) The authorized employee of the other book's account number with the book; and

(5) The date the authorized employee of the other book's account with the book is opened;

(c) The authorized employee of the other book must sign, in the presence of a supervising employee of the book, statements attesting that the authorized employee of the other book:

(1) Confirms the accuracy of the information recorded;

(2) Has received a copy of the book's rules and procedures for wagering communications;

(3) Has been informed and understands that authorized employees of other books that establish a wagering account pursuant to this subsection are prohibited by law from placing wagering communications from outside Nevada and that the book is prohibited by law from accepting them;

(4) Has been informed and understands that, with regard to pari-mutuel horse race wagers, a race book may only accept off-track pari-mutuel horse race account wagers pursuant to the provisions of Regulation 26C; and

(5) Consents to the monitoring and recording by the board of any wagering communication; and

(d) The employee who verifies the authorized employee of the other book's information and who obtains and records the information on behalf of the book and the supervising employee described in subparagraph (c), must each sign statements that they witnessed the authorized employee's signature and confirmed the authorized employee of the other book's identity and residence.

9. The book shall accept wagers on the patron's wagering account only during the year after the account is opened, unless:

(a) The patron places an account wager at least once every year; or

(b) The patron renews the account. Patrons may renew accounts for one and only one additional year by appearing personally before employees of the book as set out in subsection 7(a) of this section prior to the expiration of the initial year and signing a renewal form. Two employees of the book, at least one of whom must be a supervising employee, shall witness the patron's signature on the renewal form and each shall attest thereto by signing the renewal form. When the renewal period expires, the book shall accept no further wagering communications from the patron until the patron again complies with the provisions of subparagraphs (a), (b), (d), and (e) of subsection 7. Additionally, a book shall not accept a wager on such an account if the patron is not physically located within Nevada's borders.

10. For each wagering account established for the purpose of accepting wagering communications, the book shall record the secure personal identification assigned to the patron and the date/time and amount of each:

(a) Deposit;

(b) Withdrawal;

(c) Wager placed and accepted including the wagering transaction number;

(d) Payout on winning wager;

(e) Charge for horse racing-related services or merchandise;

(f) Service or other transaction-related charge authorized by the patron; and

(g) Adjustment to the account.

11. In addition to the posting of the wager in the computerized bookmaking system, all wagering communications shall be electronically recorded and retained for a period of 60 days. The method of recording the wager must be approved by the chairman. Such recordings must be made immediately available to any board agent upon request.

12. All wagering account applications or amendments thereto for active accounts must be retained by the book. All wagering account applications or amendments thereto for rejected applications shall be retained by the book for no less than one year following the rejection of the related application. All wagering account applications or amendments thereto for closed accounts

shall be retained by the book for no less than one year following the closure of the related wagering account.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 11/98; 9/05; 8/08; 1/11; 11/15.)

22.145 Account wagering systems. Account wagering systems shall:

1. For systems that use other than voice-only wagering communications technology, provide for the patron's review and confirmation of all wagering information before the wagering communication is accepted by the book. The system shall create a record of the confirmation. This record of the confirmation of the wager shall be deemed to be the actual transaction of record, regardless of what wager was recorded by the system;

2. Prohibit wagers from being changed after the patron has reviewed and confirmed the wagering information, and the specific wagering communication transaction has been completed;

3. Prohibit the acceptance of wagers after post time except those originated after post time that are approved in the same manner as other events approved pursuant to Regulation 22.120;

4. Prohibit a book from accepting an account wager, or a series of account wagers, in an amount in excess of the available balance of the wagering account;

5. Prohibit a book from accepting out-of-state sports wagers and out-of-state nonpari-mutuel horse race wagers;

6. Post payment on winning account wagers as a credit to the patron's wagering account as soon as reasonably practicable after the event is declared official;

7. Maintain a completely separate wagering account for pari-mutuel horse race wagers. Wagering accounts for pari-mutuel sports wagers, nonpari-mutuel horse race wagers and nonpari-mutuel sports wagers may be commingled in a single wagering account;

8. Maintain complete records of every deposit, withdrawal, wager, winning payoff, and any other debit or credit for each account; and

9. For systems that use other than voice-only wagering communications technology, produce a printable record of the entire transaction as required by this section and shall not accept any wagering communication or transaction if the printable record system is inoperable.

(Adopted: 9/05. Amended: 1/27/11.)

22.147 Account wagering rules. Each book that offers account wagering shall adopt, conspicuously display at its licensed premises, make available through the account wagering system, and adhere to written, comprehensive house rules governing account wagering transactions with patrons. Without limiting the generality of the foregoing, the rules must include statements to the effect that:

1. All applicable house rules apply to wagering accounts.

2. The book shall provide each patron, upon reasonable request and consistent with its internal control policies, with a statement of account showing each wagering account deposit, each wagering account withdrawal, each credit to a wagering account, and each debit to the wagering account made during the time period reported by the account statement. The patron may dispute any transaction according to NGC Regulation 7A.

3. For all wagering communications the book is required to make a voice, print, electronic or other approved record of the entire transaction and shall not accept any such wager or transaction if the recording system is inoperable. The record of the patron's confirmation of all wagering information shall be deemed to be the transaction of record, regardless of what was recorded by the computerized bookmaking or pari-mutuel system. The records are made available to the board upon request.

4. The book has the right to;

(a) Refuse the establishment or maintenance of accounts for what it deems good and sufficient reason;

(b) Refuse deposits to accounts for what it deems good and sufficient reason;

(c) Refuse to accept all or part of any wager for what it deems good and sufficient reason;

(d) Declare the account wagering system closed for receiving any or all wagers;

(e) Suspend or close any account at any time, provided, however, when an account is closed, the book shall, within five business days, return the balance of the wagering account at

the time of said action, subject to compliance with these regulations, the book's house rules, and federal and state laws and regulations, by sending a check to the patron's address of record; or

(f) Close any wagering account when the patron thereof attempts to operate with an insufficient balance or when the account is dormant for a period established by the book. In either case, the book shall refund the balance of the wagering account, subject to compliance with these regulations, the book's house rules, and federal or state law.

5. The book shall keep confidential, except from the patron, the board or as otherwise required by federal or state law:

(a) The amount of money credited to, debited from, or present in any particular patron's wagering account;

(b) The amount of money wagered by a particular patron on any event;

(c) The account number and secure personal identification method that identifies the patron;

(d) The identities of particular entries on which a patron is wagering or has wagered; and

(e) Unless otherwise authorized by a patron, the name, address, and other information in the possession of the book that would identify the patron to anyone other than the board or the book.

6. Books shall disclose their policy regarding the acceptance of personal checks, cashier's checks, wire transfers, money orders, debit cards, credit cards and electronic transfers of money to the patron.

7. Books shall disclose their policy regarding the patron's use of the wagering account while the patron is on the premises of the book.

(Adopted: 9/05.)

22.150 House rules. Each book shall adopt, conspicuously display at its licensed premises, and adhere to written, comprehensive house rules governing wagering transactions with patrons. Without limiting the generality of the foregoing, the rules must specify the amounts to be paid on winning wagers, the effect of schedule changes, the redemption period for winning tickets, and the method of noticing odds or line changes to patrons. House rules must state that wagers may be accepted at other than the currently posted terms, if applicable. Prior to adopting or amending such house rules, a book shall submit such rules to the chairman for approval.

(Adopted: 7/85. Effective: 9/1/85. Amended: 11/98; 01/11. Effective: 1/1/99.)

22.155 Business entity wagering.

1. A book shall notify the board in writing of its intent to accept wagers from business entities which have met all of the applicable requirements found in NRS Chapter 463.

2. A book is prohibited from accepting wagers from a business entity unless all of the business entity's owners, directors, officers, managers, partners, holders of indebtedness, and anyone entitled to payments based on profits or revenues of the entity are fully disclosed. If the business entity is owned or controlled by one or more holding companies, each of the holding companies' owners, directors, officers, managers, partners, holders of indebtedness and everyone entitled to payments based on profits or revenues of the entity must be fully disclosed.

3. A book which elects to accept wagers from business entities must conduct due diligence on each business entity from which the book will accept wagers which, at a minimum, includes, but is not limited to:

(a) Requiring the business entity to affirm that it has met all of the applicable requirements found in NRS Chapter 463 and this section and that it is not established for the purpose of circumventing any applicable federal or state laws including, but not limited to, laws concerning illegal sports wagering, electronic communications, and money laundering;

(b) Ascertaining all equity owners, holders of indebtedness, directors, officers, managers, partners, anyone entitled to payments based on the profits or revenues, and any designated individuals; and

(c) Ascertaining the natural person who is the source of funds for each contribution to the business entity.

→ A book shall maintain records of the due diligence it performs on a business entity for no less than one year following the closure of the wagering account of the business entity or for no less than one year after rejection of a business entity wagering account application by the book.

4. A book shall not accept wagers from a business entity if:
 - (a) The business entity does not make the affirmation or disclosures required by subsections 2 or 3(a);
 - (b) The book is unable to verify the identity of all the equity owners, holders of indebtedness, directors, officers, managers, partners, anyone entitled to payments based on the profits or revenues, and any designated individuals of the business entity; or
 - (c) The book is unable to verify the natural person who is the source of funds for each contribution to the business entity.
5. Upon receipt of updated information from a business entity, a book shall verify the updated information. If a book is unable to verify the updated information within 30 days of the book's receipt of the updated information from the business entity, the book shall suspend the wagering account and not allow further wagering activity on the wagering account.
6. A book shall require a business entity from which the book accepts wagers to provide:
 - (a) For business entities from which the book accepts wagers aggregating more than \$5,000,000 in a calendar year, an independent third-party verification concerning to whom the business entity made payments based on profits or revenues to ensure no payments were made to persons other than those permitted by NRS Chapter 463 to receive such payments. If the book does not receive a copy of the independent third-party verification prior to April 1st of the year following the year in which the business entity placed wagers in excess of \$5,000,000, the book shall suspend the wagering account and not allow further wagering activity on the wagering account or
 - (b) For business entities from which the book accepts wagers aggregating \$5,000,000 or less within a calendar year, an affirmation stating the business entity did not make payments based on profits or revenues to persons other than those permitted by NRS Chapter 463 to receive such payments. If the book does not receive such affirmation prior to April 1st of the year following any year in which the business entity placed wagers with the book, the book shall suspend the wagering account and not allow further wagering activity on the wagering account.
7. A book shall report any violation or suspected violation of law or regulation related to business entity wagering to the board immediately. Such reporting shall include, but is not limited to, any violation or suspected violation of relevant federal laws such as The Federal Wire Act 18 U.S.C. §1084, the Illegal Gambling Business Act 18 U.S.C. §1955, and Title 31 anti-money laundering laws.
8. A book may only accept wagering activity from a business entity through a wagering account established by the business entity and may only deposit winnings into such wagering account. The book must use an account wagering system for such wagering activity. The requirement to use an account wagering system is effective on January 1, 2017.
9. A book shall not extend credit to a business entity.
10. A book shall report the suspension or closure of a business entity wagering account to the board within 5 days of suspension or closure and shall include the reason for such suspension or closure in the report. A book shall report the reinstatement of a suspended business entity wagering account to the board within 5 days of reinstatement and shall include the reasons the book reinstated the wagering account.
11. A book that accepts wagers from business entities shall adopt, conspicuously display at its premises, and adhere to house rules governing business entity wagering transactions.
12. As used in this section, "holding company" means any corporation, firm, partnership, limited partnership, limited-liability company, trust or other form of business organization which, directly or indirectly:
 - (a) Owns, as defined in Regulation 15.482-6;
 - (b) Controls, as defined in Regulation 15.482-4; or
 - (c) Holds with power to vote→any part of a business entity subject to this section. In addition to any other reasonable meaning of the words used, a holding company "indirectly" has, holds or owns any power, right or security if it does so through any interest in a subsidiary or successive subsidiaries, however many such subsidiaries may intervene between the holding company and the business entity subject to this section.

(Adopted: 11/15.)

22.160 Wagering account transactions.

1. Wagering account deposits may be made by any of the following means:
 - (a) Cash deposits made directly;
 - (b) Personal checks, cashier's checks, wire transfers and money order deposits made directly or mailed;
 - (c) Credit instruments issued pursuant to Regulation 6.120 and in accordance with the Regulation 6.090 minimum internal control standards or the Regulation 6.100 internal control procedures, as applicable;
 - (d) Transfers from safekeeping or front money accounts otherwise held by the licensed gaming establishment excluding other race or sports wagering accounts;
 - (e) Debits from a patron's debit card or credit card, upon direct instructions of the patron, provided the use of such card has been pre-approved by the book and designated by the patron;
 - (f) Debits by electronic transfers of money from a monetary account controlled by a patron. The patron may be liable for any charges imposed by the transmitting and receiving entity and the charges may be deducted from the patron's wagering account; and
 - (g) Any other means approved by the chairman.
2. Wagering account credits may be made by any of the following means:
 - (a) Deposits; and
 - (b) Amounts won by a patron.
3. Wagering account debits may be made by any of the following means:
 - (a) Amounts wagered by a patron;
 - (b) Service or other transaction-related charges authorized by the patron;
 - (c) Purchases of horse racing related merchandise and services requested by a patron; and
 - (d) Withdrawals.
4. Wagering account withdrawals shall be completed within five business days after the book receives a request from a patron by mail, telephone, or a communications technology accompanied by the valid account number and the patron's secure personal identification and, if by mail, a signed completed withdrawal slip. If sufficient funds are available, the book shall refund to the patron the amount of the requested withdrawal to the address of record. An electronic transfer of money may be used at the discretion of the patron. Patrons may make withdrawals in person with such identification as required by the book, the valid account number and the patron's secure personal identification.
5. Business entity wagering account deposits and withdrawals may only be made by transfers to and from the bank or financial institution account maintained by the business entity. Business entity wagering account deposits and withdrawals may not be made in cash.
(Adopted: 9/05. Amended: 11/15)

22.165 Use of an operator of a call center.

1. A licensed Nevada book shall not utilize an operator of a call center unless the operator of the call center has been found suitable by the commission.
2. The call center system, or a component of such a system, will record patron instructions received and transmitted to a licensed Nevada book and the date/time instructions are received from a patron for:
 - (a) Sports wagers and nonpari-mutuel horse race wagers to be placed; and
 - (b) Any other wagering instructions as may be approved by the chairman.
3. The operator of a call center performs such patron services as:
 - (a) Receiving sports and nonpari-mutuel horse race wagering instructions from a patron;
 - (b) Providing help desk responses to patrons and the general public concerning sports wagers and nonpari-mutuel horse race wagers at a licensed Nevada book; and
 - (c) Such other patron services as may be approved by the chairman.
4. In addition to the posting of the wager at a licensed Nevada book, all wagering instructions shall be electronically recorded and retained for a period of 60 days. The method of recording the wagering instructions must be approved by the chairman. Such recordings must be made immediately available to any board agent upon request.

5. The operator of a call center shall allow the members of the commission, the board, their agents and employees to immediately inspect and examine the premises and immediately inspect, examine, photocopy, and examine all papers, books, and records, on the premises, or elsewhere as practicable.

6. The operator of a call center shall only use communications technology approved pursuant to Regulation 22.130.

7. The operator of a call center shall operate in compliance with all applicable provisions of this regulation that may apply to it or the licensed Nevada book using its services.

8. The licensed Nevada book shall maintain responsibility for any operator of a call center, used by the book, to operate in compliance with all state and federal laws and regulations, as applicable.

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

(Adopted: 8/21/08. Effective: 8/21/08.)

22.170 Credit accounts. [Repealed: 9/27/05.]

22.180 Gross revenue computations and layoff bets. The amounts of wagers placed by a book and the amounts received by the book as payments on such wagers shall not affect the computation of the book's gross gaming revenue.

(Adopted: 7/85. Effective: 9/1/85.)

22.190 Assigned agent. The board may at any time require a book to allow an agent of the board to be permanently present on the book's premises during all hours of operation, and to require the costs and expenses for such agent to be borne by the book in a manner deemed reasonable by the board. The agent shall have full and complete access to all books, records, and to any telephone conversations emanating from or received at the licensed premises.

(Adopted: 7/85. Effective: 9/1/85.)

22.195 Records and reports for users and buyers. Each "user", as defined in NRS 463.4218, who uses information included in a live broadcast to determine winners of and payoffs on wagers accepted at the user's race book, and each "buyer", as defined by Regulation 20.010(2), shall comply with the recording and reporting requirements specified in Regulations 20.030, 20.060, 21.080 and 21.090.

(Adopted: 01/27/11. Effective: 01/27/11.)

22.200 Records and forms. Books shall create and maintain the records and reports required by this regulation in such manner and using such forms as the chairman may require or approve. The chairman may require books to create and maintain such other records and reports as are necessary or convenient for strict regulation of books. Except as otherwise provided in this regulation, books shall preserve the records required by this regulation for at least 5 years after they are made. The board may at any time examine and copy the records of any book. Each book shall comply with all other applicable regulations of the commission to the extent not in conflict with this regulation.

(Adopted: 7/85. Effective: 9/1/85. Amended: 6/88; 1/11.)

22.210 Sunset provision. [Repealed: 8/23/01.]

22.220 Global Risk Management.

1. A book engaging in global risk management may provide direction, management, consultation, and/or instruction to the operator of a wagering pool located in a permissible jurisdiction concerning:

- (a) The management of risks associated with a wagering pool for a race or sporting event or any other event for which the wagering pool is permitted to accept wagers;
- (b) The determination of where lines, point spreads, odds, or other activity relating to betting or wagering are initially set and the determination of whether to change such lines, point spreads, odds, or other activity relating to betting or wagering;
- (c) Whether or not to accept or reject bets or wagers, to pool bets or wagers, or to lay off bets or wagers;
- (d) The use, transmittal, and accumulation of information and data for the purpose of providing global risk management; and
- (e) Any other activity associated with a wagering pool if approved in writing by the chairman prior to a book commencing direction, management, consultation, and/or instruction concerning the activity.

2. A book which intends to provide global risk management shall:

- (a) Enter into a written agreement to provide global risk management with any operator of a wagering pool to which the book proposes to provide global risk management. A copy of such executed agreement with an operator of a wagering pool located outside of Nevada shall be provided to the chairman no later than the date on which the book commences global risk management for the operator of the wagering pool;
- (b) Provide details to the chairman regarding any permissible jurisdiction other than Nevada where the book intends to provide global risk management no later than the date on which the book commences global risk management in such permissible jurisdiction;
- (c) No later than the date on which a book commences global risk management, submit the book's systems of accounting and internal control utilized for global risk management to the chairman. Such systems must include provisions for complying with all federal laws and regulations; and
- (d) Provide such other information as the chairman may require concerning global risk management.

3. In addition to the requirements contained in subsection 2 of this section, at least 30 days prior to providing global risk management to a Nevada licensee, a book shall submit to the chairman the written agreement for the global risk management provided to the Nevada licensee. The chairman may object in writing to such agreements in the chairman's sole and absolute discretion. If the chairman objects to an agreement, the book shall not provide global risk management to the Nevada licensee until the book has resubmitted the agreement to the chairman, and the chairman has indicated in writing that he does not object to the resubmitted agreement.

(Adopted: 8/15. Effective 8/20/2015.)

End – Regulation 22