



POLICY AND PROGRAM REPORT

Gaming in Nevada

April 2016



The Legislature has declared that “the gaming industry is vitally important to the economy of the State and the general welfare of the inhabitants.” Nevada has developed a comprehensive system designed to regulate many of the aspects of gaming, including the taxation of gaming establishments. *Nevada Revised Statutes* (NRS) 463.0129 sets forth the State’s policy concerning gaming. The statute stresses strict regulation of the gaming industry by means of licensing, controlling, and assisting activities related to gaming.

HISTORY OF GAMING IN NEVADA

Gaming has always played a significant role in the history of Nevada. Gaming was widespread during the State’s frontier days, particularly in the mining camps. With the discovery of the Comstock Lode in 1859 came a population explosion in western Nevada. The Comstock Lode was the largest and wealthiest gold and silver deposit in the United States. The money and people that occupied the area were accompanied by one of the few forms of recreation available to the miners—gambling. The gambler held a respected position in society. One of the most famous residents of Nevada, Mark Twain (then known as Samuel Clemens), described the role of the gambler in his book *Roughing It*, as follows:

In Nevada, for a time, the lawyer, the editor, the banker, the chief desperado, the chief gambler, and the saloon-keeper, occupied the same level in society, and it was the highest.

Gaming also has been controversial to one degree or another. In 1861, the Territorial Legislature prohibited all forms of gaming and provided criminal penalties. Conducting a gambling game was a felony punishable by a fine of not more than \$5,000 and up to two years imprisonment. Betting was

TABLE OF CONTENTS

History of Gaming in Nevada	1
<i>The Initial Legalization of Gaming</i>	2
<i>The Prohibition of Gaming</i>	2
<i>The Relegalization of Gaming</i>	2
<i>The Modern Regulation of Gaming</i>	3
The Regulation of Gaming in Nevada	3
<i>The Role of NRS</i>	3
<i>State Gaming Agencies</i>	4
Gaming Licenses	5
<i>Gaming Employee Registration</i>	6
Taxes and Revenue	6
<i>Gaming/Live Entertainment Tax</i>	6
2015 Significant Gaming Legislation	6
<i>Interactive Gaming</i>	6
<i>Pari-Mutuel Wagering</i>	7
<i>Other Gaming Bills</i>	7
Additional Information	7
Research Staff Contacts	8
Glossary of Gaming Terms	10

punishable by a fine of not more than \$500 and up to six months imprisonment. The law was generally ignored, and various forms of gaming, particularly faro, poker, and roulette, were widely and openly played.

The Initial Legalization of Gaming

In 1869, the Legislature, notwithstanding Governor Henry Goode Blasdel's veto, passed a bill legalizing gaming and providing for its regulation. The fee for a gaming license was set at \$1,000 in counties with fewer than 2,000 registered voters and \$1,600 in more populous counties. The State and the counties split the license fees evenly. Although gaming could not be conducted in the front room of a saloon, and minors under 17 years of age could not participate, the State did little to regulate gaming. Revenues generated from gaming license activities were an insignificant part of the overall State budget.

In 1879, the Legislature prohibited cheating in licensed games. Until that time, the problem of cheating had been settled privately between the participants. In 1905, in response to falling gaming license revenues, Nevada legalized nickel slot machines. Although gaming was tolerated during the heyday of mining, Nevada later began to develop an economy that was not entirely dependent upon mining. In addition, antigaming movements began to strengthen.

The Prohibition of Gaming

The Women's Civil League and the Anti-Gambling League of Reno lobbied feverishly to repeal the gaming laws. Their persistence paid off when, in 1909, the Legislature enacted a law prohibiting all forms of gaming after October 1, 1910. In 1911, the prohibition was briefly repealed but was reimposed in 1913. From 1913 to 1931, gaming was illegal in Nevada. However, the ban was unevenly enforced, and illegal gaming establishments continued to operate in many cities.

The year 1931 was an eventful one throughout the U.S. It was a tough year in Nevada as a severe drought gripped the State. Mining had plunged to a new low, cattle were selling for 3 cents per pound, and the nation was in the throes of the worst economic depression the country had ever seen. With the federal government owning approximately 86 percent of the land in Nevada, there was little room for further development of agriculture, and the property tax base was limited.

The Relegalization of Gaming

In 1931, 17 Senators and 37 Assemblymen gathered in the old Nevada Capitol for the 35th Legislative Session. Phil Tobin, a freshman Republican Assemblyman from Humboldt County in northern Nevada, introduced the gambling bill that would change the face and fate of Nevada. The opposing sides of the gambling question conducted a brief but furious debate before the Committee on Public Morals. The bill's supporters backed Assemblyman Tobin's stand that gambling was too common to ignore and that it went untaxed. Antigambling groups argued that gambling was a vice, pure and simple, and would attract gangsters and bring shame to Nevada.

The supporters of Assembly Bill 98 (Chapter 99, *Statutes of Nevada 1931*) were victorious as it was passed by the Legislature (Senate vote: 13 to 3; Assembly vote: 24 to 1) and signed by Governor Fredrick B. Balzar on March 19, 1931. Nevada would never be the same.

Between 1931 and 1945, the State left the regulation of gaming up to the local governments and did not attempt to directly tax gaming establishments. As tourists began traveling to the renowned Las Vegas area and full-service casinos began springing up at a rapid rate, the State (in 1945) required licenses for casinos and imposed a 1 percent tax on gross revenues. During the decade between 1945 and 1955, however, there were acknowledged shortcomings in the State's ability to regulate the burgeoning industry.

The Modern Regulation of Gaming

In 1955, the Legislature organized the State Gaming Control Board to regulate the industry. Comprehensive background checks of license applicants were also instituted. The Nevada Gaming Commission, which is responsible for overseeing the activities of the Board, was organized in 1959. In 1961, the Legislature created the Gaming Policy Committee, with authority to hold hearings—at the call of the Governor—on gaming policy and make recommendations to the Board and the Commission. (These entities are discussed in more detail in the next section of this report.)

Throughout the early years of gaming, the State continually revised the gaming regulatory scheme. A major change occurred in 1967 when corporate gaming was authorized by the Legislature through Senate Bill 470 (Chapter 534, *Statutes of Nevada 1967*). These statutes allowed public corporations to own and operate gaming facilities. Until then, each stockholder had been subject to a background investigation. The following session in 1969, S.B. 353 (Chapter 220, *Statutes of Nevada 1969*) revised these statutes, giving the State of Nevada greater control over corporate licensees. This change made it much easier for the industry to raise capital and paved the way for the enormous expansion of gaming in years to come.

The history of gaming in Nevada is a colorful one. Much of the success of gaming can be attributed to a unique balance that has been reached in regulating the industry. The State has consistently sought to balance competing interests. The need for tax revenue is balanced with the need to create an economic and tax environment that promotes gaming. The need to ensure that gaming is conducted fairly is balanced with the need to avoid overregulation.

THE REGULATION OF GAMING IN NEVADA

As the history of gaming demonstrates, the regulation of gaming is vital to its success. The Nevada Legislature has provided the regulatory framework by establishing a complex statutory system.

The Role of NRS

To effectuate this State's policy on gaming, the Legislature has adopted various laws that strictly control gaming. Chapter 463 ("Licensing and Control of Gaming") of NRS, referred to as the "Nevada Gaming Control Act," is the principal authority in gaming regulation. The Act addresses

ownership, operation, licensing, financing, financial practices, penalties, fees, and taxes of gaming establishments. Supplementing this central program, Chapter 462 addresses “Lotteries”; Chapter 463A, “Gaming Employees’ Labor Organizations”; Chapter 463B, “Supervision of Certain Gaming Establishments”; Chapter 464, “Pari-Mutuel Wagering”; Chapter 465, “Crimes and Liabilities Concerning Gaming”; Chapter 466, “Horse Racing”; and Chapter 467, “Unarmed Combat” (i.e., boxing).

In order to implement these laws, various agencies have been created and authorized to adopt regulations to further the laws that generally regulate the gaming industry.

State Gaming Agencies

The principal State agencies concerned with gaming control are the Nevada Gaming Commission and the Nevada Gaming Control Board. The three primary responsibilities of these agencies are to assure: (1) gaming is conducted honestly; (2) the industry is free from organized crime and corruption; and (3) the State receives its full entitlement of gaming tax revenues.

In addition to these agencies, the Gaming Policy Committee was created to discuss matters of gaming policy and make recommendations to the Commission and Board.

Nevada Gaming Control Board

The Nevada Gaming Control Board, which is comprised of three individuals appointed by the Governor, was established in 1955 as the agency charged with the full-time administration of the Nevada Gaming Control Act and its corresponding regulations. In addition, the Board establishes rules and regulations for all tax reports submitted to the State by gaming licensees.

In terms of the gaming license application process, the Board conducts a thorough investigation of the qualifications of each applicant before any license is issued or other required approval is granted. After completing the investigation, the Board recommends that the Nevada Gaming Commission deny, limit, condition, restrict, or approve any license, registration, or finding of suitability. Investigations are conducted by the Board’s staff. The Board’s staff is divided into six divisions: (1) Administration; (2) Audit; (3) Enforcement; (4) Investigations; (5) Tax and License; and (6) Technology.

Nevada Gaming Commission

The Nevada Gaming Commission was created by the 1959 Nevada Legislature. It is a five-member lay body appointed by the Governor. The primary responsibilities of the Commission include acting on recommendations of the Nevada Gaming Control Board in licensing matters and ruling over gaming employee registration appeal cases. The Commission is the State’s final administrative authority and is empowered to accept, deny, or modify the recommendations of the Board on any particular license application. The Commission also has the power to approve, restrict, limit, condition, deny, revoke, or suspend any current gaming license.

In addition, the Commission is required to pass regulations, including those prescribing the method and form of applications, information required, fingerprinting of applicants, and procedure for a licensing hearing.

Gaming Policy Committee

Created in 1961, Nevada's Gaming Policy Committee is an administrative body consisting of government, public, and industry representatives who are charged with the responsibility of recommending gaming policy. The committee consists of 12 members: the Governor (Chair), a Commission member, a Board member, a member of the Senate, a member of the Assembly, two members of the general public, two representatives of nonrestricted gaming licensees, one representative of restricted gaming licensees, one enrolled member of a Nevada Indian tribe appointed by the Inter-Tribal Council of Nevada, Inc., and one representative of academia who possesses knowledge of matters related to gaming. In general, only the Governor may call meetings of the Gaming Policy Committee. After discussing matters of gaming policy, the Committee may make recommendations. These recommendations are advisory only and are not required to be implemented by the Board or Commission. In 1997, the Gaming Policy Committee received the statutory responsibility to hear appeals of decisions by local governing bodies to grant or deny a petition to designate certain locations as gaming enterprise districts.

GAMING LICENSES

Two types of gaming licenses are issued in Nevada—a “nonrestricted license” and a “restricted license.” A nonrestricted license, or a “nonrestricted operation,” means one of the following:

1. A State gaming license for, or an operation consisting of, 16 or more slot machines;
2. A license for, or operation of, any number of slot machines together with any other game, gaming device, race book, or sports pool at one establishment;
3. A license for, or the operation of, a slot machine route;
4. A license for, or the operation of, an inter-casino linked system; or
5. A license for, or the operation of, a mobile gaming system.

A restricted license or “restricted operation,” means a State gaming license for, or an operation consisting of, not more than 15 slot machines and no other game or gaming device at an establishment in which the operation of slot machines is incidental to the primary business of the establishment. Effective January 1, 2014, in a county whose population is 100,000 or more (currently Clark and Washoe Counties), a restricted license may only be granted at certain establishments if it contains:

1. A minimum of 2,500 square feet of space available for patrons;
2. A permanent, physical bar; and
3. A restaurant that meets certain requirements.

Gaming Employee Registration

The Nevada Gaming Control Board also administers the statewide Gaming Employee Registration Program. In Nevada, a person cannot be employed as a gaming employee unless the person has registered as a gaming employee. Applications for registration are filed through the licensee for whom the applicant will start working, unless otherwise filed with the Board as prescribed by regulation (see NRS 463.335 for additional information).

The Board must conduct an investigation of each applicant to determine eligibility, including a criminal history background check. Fees charged for the issuance of a gaming employee registration are limited to the equivalent of actual investigation and administration costs.

TAXES AND REVENUE

Gaming taxes and sales tax are the State's two largest revenue sources. In the 2015-2017 Biennium, State gaming taxes are forecast to comprise 19.6 percent of the State's General Fund revenue.

The largest source of gaming revenue is the monthly percentage fee based on gross gaming revenue from nonrestricted licensees. The rate of the fee is 3.5 percent for the first \$50,000 during the month, plus 4.5 percent of the next \$84,000, plus 6.75 percent of revenue exceeding \$134,000 (NRS 463.370). Other sources of gaming revenue include license fees, quarterly fees on games, slot fees, and gaming penalties.

Gaming/Live Entertainment Tax

As of January 1, 2004, the Legislature (in 2003) repealed the Casino Entertainment Tax and replaced the tax with the Live Entertainment Tax (LET); this tax is not limited to gaming establishments. Exemptions from the tax are outlined in NRS 368A.200. Senate Bill 266 (Chapter 538, *Statutes of Nevada 2015*) revised the LET by clarifying the definition of "live entertainment" and simplifying the tax rate. The single rate of 9 percent is applied on tickets to events with live entertainment in a facility with more than 200 seats.

2015 SIGNIFICANT GAMING LEGISLATION

In an effort to confront unprecedented domestic and global competition, the Legislature considered innovative opportunities for the gaming industry. Several major bills were approved by the 2015 Legislature that have the potential to alter Nevada's gaming environment.

Interactive Gaming

To capture the interest of the technologically savvy, S.B. 9 (Chapter 108, *Statutes of Nevada*) encouraged the development of skill-based gaming that is more similar to video games.

Pari-Mutuel Wagering

Senate Bill 443 (Chapter 330, *Statutes of Nevada*) authorized legal sports books to accept wagers from Nevada business entities. This allows for the legal investment in sports betting funds that are based in the State of Nevada.

Senate Bill 445 (Chapter 331, *Statutes of Nevada*) required the Nevada Gaming Commission to adopt regulations relating to global risk management of a race book or sports pool. This bill established the framework allowing companies to manage financial exposure associated with sports wagering, whether or not the book is located in Nevada.

Other Gaming Bills

With gaming now legal in many other states, the State Gaming Control Board changed its name to Nevada Gaming Control Board in A.B. 40 (Chapter 274, *Statutes of Nevada*). This bill also granted a limited exception to the Board from the Open Meeting Law, sunseting in 2019.

The Legislature passed S.B. 38 (Chapter 296, *Statutes of Nevada*), requiring the registration of club venue employees, if the venue is located on the premises of a nonrestricted gaming establishment, and the registration of persons who manufacture, sell, or distribute gaming equipment.

Senate Bill 124 (Chapter 117, *Statutes of Nevada*) authorized the Nevada Gaming Control Board to allow a licensee to move its establishment to a location within one mile of its existing location and transfer its nonrestricted license, if the move is necessary because the existing location is adjacent to a military installation and the federal government has determined that the land is necessary for the expansion of the installation.

Senate Bill 409 (Chapter 469, *Statutes of Nevada*) ensured that gaming licensees have the information they need to make informed hiring decisions by allowing a credit reporting agency to report on bankruptcies older than ten years, and other civil judgments older than seven years, that are incurred by a person who is seeking employment with a gaming licensee or employment in a position that is directly connected to the licensee's operations.

ADDITIONAL INFORMATION

Extensive information regarding the gaming industry in Nevada is available through its regulatory bodies:

Nevada Gaming Commission

Tony Alamo, M.D. (Chair)

John T. Moran Jr.

Philip M. Pro

Randolph J. Townsend

Gaming

Nevada Gaming Control Board

A. G. Burnett (Chair)

Terry Johnson

Shawn R. Reid

Office Address:

1919 College Parkway

Carson City, Nevada 89706

Mailing Address:

P.O. Box 8003

Carson City, Nevada 89702

Telephone (Commission): (775) 684-7750

Telephone (Board): (775) 684-7700

Website: <http://gaming.nv.gov/>

(Includes links to other state, federal, and international bodies involved in the regulation of gaming.)

Gaming Associations

A great deal of information regarding gaming in Nevada and throughout the country is available through the industry itself. Two examples of gaming organizations follow:

American Gaming Association

799 Ninth Street, Northwest

Suite 700

Washington, D.C. 20001

Telephone: (202) 552-2675

Website: <https://www.americangaming.org/>

Nevada Resort Association

900 South Pavilion Center Drive

Suite 160

Las Vegas, Nevada 89144

Telephone: (702) 735-4888

Fax: (702) 735-4620

Website: <http://www.nevadaresorts.org/>

RESEARCH STAFF CONTACTS

Diane C. Thornton

Senior Research Analyst

E-mail: Diane.Thornton@lcb.state.nv.us

Patrick Guinan

Principal Research Analyst

E-mail: Patrick.Guinan@lcb.state.nv.us

Research Division
Legislative Counsel Bureau
Telephone: (775) 684-6825
Fax: (775) 684-6400

GLOSSARY OF GAMING TERMS

While the terms in the Glossary are based on the definitions used in *Nevada Revised Statutes* (NRS) and the regulations (Reg.) of the Nevada Gaming Commission and Nevada Gaming Control Board, the definitions are not always verbatim reproductions of the legal definitions. Always consult the actual statute or regulation for technical purposes.

Ante

A player's initial wager or predetermined contribution to the pot prior to the dealing of the first hand. (Reg. 23.020[1])

Authorized Player

A person who has registered with the operator of interactive gaming to engage in interactive gaming. (Reg. 5A.020[1])

Banking Game

Any gambling game in which players compete against the licensed gaming establishment rather than against one another. (NRS 463.01365)

Black Book

A term used in popular parlance for the list of excluded persons established by NRS 463.151. (See "Excluded Person.")

Board

The Nevada Gaming Control Board. (NRS 463.0137)

Call

A wager made in an amount equal to the immediately preceding wager. (Reg. 23.020[2])

Candidate

Any person who the Board believes should be placed on the list of persons who are to be excluded or ejected from licensed gaming establishments. (Reg. 28.020[1] and [3])

Card Game Shill

An employee engaged and financed by the licensee as a player for the purpose of starting and/or maintaining a sufficient number of players in a card game. (Reg. 23.020[3])

Cashless Wagering System

A method of wagering and accounting:

1. In which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained by a computer operated and maintained by a licensee which maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device; or

2. Used in a race book or sports pool in which the validity and value of a wagering instrument or wagering credits are determined, monitored, and retained on a computer that maintains a record of each transaction involving the wagering instrument or wagering credits and is operated and maintained by a licensee. (NRS 463.014)

Casino

The room or rooms wherein gaming is conducted and includes any bar, cocktail lounge, or other facilities housed therein as well as the area occupied by the games, except restricted gaming operations as defined by NRS 463.0189. (Reg. 1.065)

Cheat

To alter the elements of chance, method of selection, or criteria which determine the result of a game, the amount or frequency of payment in a game, the value of a wagering instrument, or the value of a wagering credit. (NRS 465.015[1])

Chip

A nonmetal or partly metal representative of value issued by a licensee for use at table games or counter games at the licensee's gaming establishment. (Reg. 12.010[3])

Commission

Nevada Gaming Commission. (NRS 463.0145)

Communications Technology

Any method used and the components employed by an establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wire, cable, radio, microwave, light, optics, or computer data networks, including, without limitation, the Internet and intranets. (NRS 463.016425[2])

Covered Asset

Any tangible or intangible asset specifically designed for use in, and used in connection with, the operation of an interactive gaming facility that, after December 31, 2006, knowingly and intentionally operated interactive gaming that involved patrons located in the U.S., unless and to the extent such activity was licensed at all times by a state or the federal government, including, without limitation:

1. Any trademark, trade name, service mark, or similar intellectual property under which an interactive gaming facility was identified to the patrons of the interactive gaming facility;
2. Any information regarding persons via a database, customer list, or any derivative of a database or customer list; and
3. Any software or hardware relating to the management, administration, development, testing, or control of an interactive gaming facility. (NRS 463.01464)

Covered Person

Any person who:

1. Has at any time owned, in whole or in significant part, an interactive gaming facility or an entity operating an interactive gaming facility that after December 31, 2006, knowingly and intentionally operated interactive gaming that involved patrons located in the U.S., unless and to the extent such activity was licensed at all times by a state or the Federal Government;
2. After December 31, 2006, acted, or proposed to act, on behalf of a person described in paragraph 1 and knowingly and intentionally provided, or proposed to provide, to such person any services as an interactive gaming service provider, with knowledge that the interactive gaming facility's operation of interactive gaming involved patrons located in the U.S.; or
3. Purchased or acquired, directly or indirectly:
 - (a) In whole or in significant part, a person described in paragraph 1 or 2; or
 - (b) Any covered assets, in whole or in part, of such person. (NRS 463.014645)

Daily Double

A wager requiring the selection of the winners of two separate program events designated by the licensee as a daily double. (Reg. 26.030[3])

Disseminator

Any person who furnishes an operator of a race book, sports pool, or gambling game with information relating to horse racing or other racing which is then used to determine winners of, or payoffs on, wagers accepted by the operator. The term does not include a person who provides a televised broadcast without charge to any person who receives the broadcast. (NRS 463.0147)

Drop

1. For table games, the total amount of money, guaranteed drafts, chips, tokens, and wagering vouchers contained in the drop boxes and any electronic money transfers made to the game through the use of a cashless wagering system.
2. For slot machines, the total amount of money, tokens, and wagering vouchers contained in the drop box, and any electronic money transfers made to the slot machine through the use of a cashless wagering system. (Reg. 1.095)

Drop Box

1. For table games, a locked container permanently marked with the game, shift, and a number corresponding to a permanent number on the table.
2. For slot machines, a container in a locked portion of the machine or its cabinet used to collect the money and tokens retained by the machine that is not used to make automatic payouts from the machine. (Reg. 1.100)

Event

An individual race, game, or contest wherein pari-mutuel wagering is conducted upon the competing entrants. (Reg. 26.030[15])

Exacta

The selection, in order of finishing, of the entrants finishing first and second in a given event. (Reg. 26.030[5])

Excluded Person

Any person who has been placed upon the list of persons who are to be excluded or ejected from licensed gaming establishments by the Board and who has failed to timely request a hearing as provided in NRS 463.153, or who remains on the list after a final determination by the Commission. (NRS 463.151) (Reg. 28.020[2] and [3]) (See “Black Book.”)

Foreign Gaming

The conduct of gaming outside this State. (NRS 463.680[1])

Game of Skill

A game in which the skill of the player, rather than chance, is the dominant factor in affecting the outcome of the game as determined over a period of continuous play. (NRS 463 not codified yet)

Gaming Device

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. (NRS 463.0155)

Gaming Enterprise District

An area that has been approved by a county, city, or town as suitable for operating an establishment that has been issued a nonrestricted license. (NRS 463.0158)

Gaming or Gambling

To deal, operate, carry on, conduct, maintain, or expose for play any game as defined in NRS 463.0152, or to operate an inter-casino linked system. (NRS 463.0153)

Hand

One game in a series, one deal in a card game, or the cards held by a player. (Reg. 23.020[7])

Independent Agent

Any person who:

1. Approves or grants the extension of gaming credit on behalf of a State gaming licensee or collects a debt evidenced by a credit instrument; or

2. Contracts with a State gaming licensee or its affiliate to provide services outside of Nevada consisting of arranging complimentary transportation, food, lodging or other services, or any combination thereof, whose combined retail price per person exceeds \$1,000 in any seven-day period for guests at a licensed gaming establishment. (NRS 463.0164[1])

Information Service

A person who sells and provides information to a licensed sports pool that is used primarily to aid the placing of wagers on events of any kind. The term includes, without limitation, a person who sells and provides any:

1. Line, point spread, or odds;
2. Information, advice, or consultation considered by a licensee in establishing or setting any line, point spread, or odds; or
3. Advice, estimate, or prediction regarding the outcome of an event. (NRS 463.01642)

Interactive Gaming

The conduct of gambling games through the use of communications technology that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards, debit cards, or any other instrumentality, to transmit to a computer information to assist in the placing of a bet or wager and corresponding information related to the display of the game, game outcomes, or other similar information. The term:

1. Includes, without limitation, Internet poker.
2. Does not include the operation of a race book or sports pool that uses communications technology approved by the Board pursuant to regulations adopted by the Commission to accept wagers originating within this State for races, or sporting events or other events. (NRS 463.016425[1])

Interactive Gaming Account

An electronic ledger operated and maintained by an operator of interactive gaming wherein information relative to interactive gaming is recorded on behalf of an authorized player including, but not limited to deposits, withdrawals, amounts wagered, amounts paid on winnings, and adjustments to the Account. (Reg. 5A.020[3])

Interactive Gaming Facility

Any Internet website, or similar communications facility in which transmissions may cross any state's boundaries, through which any person operates interactive gaming through the use of communications technology. (NRS 463.016427[1])

Interactive Gaming Service Provider

A person who acts on behalf of an establishment licensed to operate interactive gaming and:

1. Manages, administers, or controls wagers that are initiated, received, or made on an interactive gaming system;
2. Manages, administers, or controls the games with which wagers that are initiated, received, or made on an interactive gaming system are associated;
3. Maintains or operates the software or hardware of an interactive gaming system;
4. Provides the trademarks, trade names, service marks, or similar intellectual property under which an establishment licensed to operate interactive gaming identifies its interactive gaming system to patrons;
5. Provides information regarding persons to an establishment licensed to operate interactive gaming via a database or customer list; or
6. Provides products, services, information, or assets to an establishment licensed to operate interactive gaming and receives therefor a percentage of gaming revenue from the establishment's interactive gaming system. (NRS 463.677[5][a])

Inter-Casino Linked System

A network of electronically interfaced similar games which are located at two or more licensed gaming establishments that are linked to conduct gaming activities, contests, or tournaments. (NRS 463.01643)

Inter-Operator Poker Network

A pool of authorized players from two or more operators collected together to play the game of poker on one interactive gaming system. (Reg. 5A.020[6])

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. (Reg. 22.110)

Mobile Gaming

The conduct of gambling games through communications devices operated solely in an establishment which holds a nonrestricted gaming license and which operates at least 100 slot machines and at least one other game by the use of communications technology that allows a person to transmit information to a computer to assist in the placing of a bet or wager and corresponding information related to the display of the game, game outcomes, or other similar information. (NRS 463.0176)

Nonrestricted License or Nonrestricted Operation

1. A State gaming license for, or an operation consisting of, 16 or more slot machines;

Gaming

2. A license for, or operation of, any number of slot machines together with any other game, gaming device, race book, or sports pool at one establishment;
3. A license for, or the operation of, a slot machine route;
4. A license for, or the operation of, an inter-casino linked system; or
5. A license for, or the operation of, a mobile gaming system. (NRS 463.0177)

Off-Track Pari-Mutuel System

A computerized system, or component of such a system, that is used with regard to a pari-mutuel pool to transmit information such as amounts wagered, odds, and payoffs on races. (NRS 464.005[2])

Off-Track Pari-Mutuel Wagering

Any pari-mutuel system of wagering approved by the Commission for the acceptance of wagers on horse or dog races which take place outside of this State or sporting events. (NRS 464.005[3])

Operator of an Inter-Casino Linked System

A person who, under any agreement whereby consideration is paid or payable for the right to place an inter-casino linked system, engages in the business of placing and operating an inter-casino linked system upon the premises of two or more licensed gaming establishments, and who is authorized to share in the revenue from the linked games without having been individually licensed to conduct gaming at the establishment. (NRS 463.01805)

Operator of a Slot Machine Route

A person who, under any agreement whereby consideration is paid or payable for the right to place slot machines, engages in the business of placing and operating slot machines upon the business premises of others at three or more locations. (NRS 463.018)

Operator of a System

A person engaged in providing an off-track pari-mutuel system. (NRS 464.005[4])

Pari-Mutuel System of Wagering

Any system whereby wagers with respect to the outcome of a race or sporting event are placed in a wagering pool conducted by a person licensed or otherwise permitted to do so under State law, and in which the participants are wagering with each other and not against that person. The term includes off-track pari-mutuel wagering. (NRS 464.005[5]) (See next entry.)

Pari-Mutuel Wagering (Chapter 466 [“Horse Racing”] of NRS)

A system of placing wagers on a horse race whereby the wager is placed at a window and equipment is used to pay a person’s winnings in the precise amount of money wagered by persons who did not win, after deducting taxes owed and commissions charged by the race track. (NRS 466.028) (See previous entry.)

Pot

The total amount anted and wagered by players during a hand. (Reg. 23.020[8])

Poker

The traditional game of poker, and any derivative of the game of poker as approved by chairman and published on the Board's website, wherein two or more players play against each other and wager on the value of their hands. For purposes of interactive gaming, poker is not a banking game. (Reg. 5A.020[9])

Preferred Guest

Any person, 21 years of age or older, who receives complimentary transportation, food, lodging, or other consideration with a retail price over \$1,000 in any seven-day period from a licensed establishment as an inducement to gamble. (Reg. 25.010[3])

Progressive Payoff Schedule

A game or machine payoff schedule, including those associated with contests, tournaments, or promotions, that increases automatically over time or as the game(s) or machine(s) are played. (Reg. 5.110[1][d])

Qualified Organization

A bona fide charitable, civic, educational, fraternal, patriotic, political, religious, or veterans' organization that is not operated for profit. (NRS 463.4093)

Quinella

The selection of the entrants finishing first and second in any order in any given event. (Reg. 26.030[13])

Race Book

The business of accepting wagers upon the outcome of any event held at a track which uses the pari-mutuel system of wagering. (NRS 463.01855)

Rake-Off

A percentage of the total amount anted and wagered by players during a hand in a card game. (Reg. 1.150)

Registered as a Gaming Employee

Authorized to be employed as a gaming employee in this State. (NRS 463.01858)

Representative of Value

Any instrumentality used by a patron in a game whether or not the instrumentality may be redeemed for cash. (NRS 463.01862)

Resort Hotel (Chapter 463 ["Licensing and Control of Gaming"] of NRS)

Any building or group of buildings maintained as a hotel where sleeping accommodations are furnished to the transient public and that has:

Gaming

1. In a county whose population:
 - (a) Is 700,000 or more, more than 200 rooms available for sleeping accommodations; or
 - (b) Is 100,000 or more and less than 700,000, more than 300 rooms available for sleeping accommodations;
2. At least one bar with permanent seating capacity for more than 30 patrons that serves alcoholic beverages sold by the drink for consumption on the premises;
3. At least one restaurant with permanent seating capacity for more than 60 patrons that is open to the public 24 hours each day and 7 days each week; and
4. A gaming area within the building or group of buildings. (NRS 463.01865)

Resort Hotel (Chapter 466 [“Horse Racing”] of NRS)

Any building or group of buildings maintained as a hotel where sleeping accommodations are furnished to the transient public and that has:

1. More than 1,000 rooms available for sleeping accommodations;
2. At least one bar with permanent seating capacity for more than 30 patrons that serves alcoholic beverages sold by the drink for consumption on the premises;
3. At least one restaurant with permanent seating capacity for more than 60 patrons that is open to the public 24 hours each day and 7 days each week; and
4. A gaming area within the building or group of buildings. (NRS 466.029)

Restricted License or Restricted Operation

A State gaming license for, or an operation consisting of, not more than 15 slot machines and no other game or gaming device, race book, or sports pool at an establishment in which the operation of slot machines is incidental to the primary business of the establishment. (NRS 463.0189)

Effective January 1, 2014, in a county whose population is 100,000 or more (currently Clark and Washoe Counties), a restricted license may only be granted at certain establishments if it contains:

1. A minimum of 2,500 square feet of space available for patrons;
2. A permanent, physical bar; and
3. A restaurant which meets certain requirements. (NRS 463.161[2])

Slot Machine

Any mechanical, electrical, or other device, contrivance, or machine which, upon insertion of a coin, token, or similar object, or upon payment of any consideration, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator in playing a gambling game which is presented for play by the machine or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise,

tokens, or anything of value, whether the payoff is made automatically from the machine or in any other manner. (NRS 463.0191)

Sports Pool

The business of accepting wagers on sporting events or other events by any system or method of wagering. (NRS 463.0193)

Temporarily Registered as a Gaming Employee

Authorized to be employed as a gaming employee in this State from the date of submitting a complete application for registration or renewal of registration for a period not to exceed 120 days following receipt of the complete application by the Board, including classifiable fingerprints, unless otherwise suspended. (NRS 463.01955)

Token

A metal representative of value issued by a licensee for use in slot machines or for use in slot machines and at table games or counter games at the licensee's gaming establishment. (Reg. 12.010[4])

User

An operator of a race book, sports pool, or gambling game who is licensed in this State and receives and displays a live broadcast within this State and uses information contained in the broadcast to determine winners of, or payoffs on, wagers the operator accepts. (NRS 463.4218)

Wager

A sum of money or representative of value that is risked on an occurrence for which the outcome is uncertain. (NRS 463.01962)

Wagering Credit

A representative of value, other than a chip, token, or wagering instrument that is used for wagering at a game or gaming device, race book, or sports pool and is obtained by the payment of cash or a cash equivalent, the use of a wagering instrument or the electronic transfer of money. (NRS 463.01963)

Wagering Instrument

A representative of value, other than a chip or token, that is issued by a licensee and approved by the Board for use in a cashless wagering system. (NRS 463.01967)