

**RULES FOR NEBRASKA**  
**HORSETRACK GAMING ACT**  
**TITLE 296**



## CHAPTER 1. DEFINITIONS

**1.001** Throughout this title the following definitions shall apply.

**1.01.01** “Act” means the Nebraska Racetrack Gaming Act.

**1.01.02** “Administrative Procedure Act” means the Administrative Procedure Act, Neb. Rev. Stat. §§ 84-901 through 84-920 (1987, Cum. Supp. 1992, Supp. 1993).

**1.001.03** “Affiliate” a person who directly or indirectly controls, or is controlled by, or is under common control with, a specified person.

**1.001.04** “Affiliated Authorized Gaming Operator” means Gaming Facilities that are attached by a single management entity (like a parent company).

**1.001.05** “Agent of the Commission” means an employee or other person authorized by the Commission to act upon its behalf and under its authority.

**1.001.06** “Application” means the total written materials, including the instructions, forms, and other documents issued by the Commission for any category of license and to include the following: (a) the applicant’s responses to the questions or requests for information on such forms; any related attachments supplementing the applicants answers to the questions on such forms; and any supplementary responses, documents or materials resulting from requests for information from the Commission related to such forms, all of which comprise the applicant’s request for a license.

**1.001.07** “Authorized Games” means all Gambling Games approved by the Commission for play in a licensed gaming facility.

**1.001.08** “Authorized Gaming Operator” as defined in Neb. Rev. Stat. § 9-1103.

**1001.09** “Armed Security Personnel” means security personnel who carry firearms as part of their employment duties within a licensed facility.

**1.001.10** “Chip” means a representation of value approved by the Commission that is redeemable for cash only at the issuing Authorized Gaming Operator for use at table games or counter games at the Operator’s Gaming Facility.

**1.001.11** “Constant Surveillance” means under continuous observation by at least one fixed camera attached to a continuously recording device and subject to human observation.

**1.001.12** “Control,” when used as a noun, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or to exercise significant influence over management and policies due to financial investment, assumption of debts or expenses, or other monetary or non-monetary considerations extended to the applicant or Authorized Gaming Operator; when used as a verb, “Control” means to exert, directly or

indirectly, such power, or to be in a position to exert such power.

**1.001.13 “Dedicated Coverage”** means camera coverage where the sole function is to view and record a specific area whenever activity is occurring in that area.

**1.001.14 “Executive Director”** means the Commission staff member who reports directly to the Commission.

**1.001.15 “Excluded Person”** Any person whose name appears on any exclusion list in the State of Nebraska, or any person whose name does not appear on an exclusion list, but is excluded or ejected from areas where gaming is conducted pursuant to the law.

**1.001.16 “Gambling Game”**, means any game approved by the Commission for wagering, including, but not limited to, gambling games authorized by this chapter.

**1.001.17 “Gaming Agent”** is a Commission employee who is responsible for on-site enforcement of the Act, this title, and other regulatory responsibilities as assigned by the Commission.

**1.001.18 “Gaming Employee”** an employee of an Authorized Gaming Facility Operator who: (i) is directly connected to the operation or maintenance of Gambling Games; or (ii) provides security in a Gaming Facility; or (iii) has access to a restricted area of a Gaming Facility; or (iv) is connected with the operation of a Gaming Facility; or (v) is so designated by the Commission.

**1.001.19 “Gaming Employee License”** means a license issued to a Gaming Employee by the Commission.

**1.001.20 “Gaming Floor”** is the portion of the Licensed Racetrack Enclosure where an Authorized Gaming Operator conducts Gambling Games.

**1.001.21 “Gaming Facility”** means the area within a Licensed Racetrack Enclosure that has been set aside for the conducting of Gambling Games by an Authorized Gaming Operators and related activities with limited access to Patrons of twenty-one (21) years of age or older.

**1.001.22 “Gaming-Related-Vendor”** means any person required to be licensed by the Commission to provide goods or services related to the conduct of gaming.

**1.001.23 “Independent Financial Institution”** means a bank approved to do business in the State or an insurance company admitted to transact insurance in the State of Nebraska with an Insurance Rating of “A” or other equivalent rating from an insurance rating company approved by the Commission.

**1.001.24 “Independent Testing Laboratory”** means a laboratory with a national reputation for honesty, independence, competence, and timeliness that is demonstrably competent and qualified to scientifically test and evaluate devices for compliance with the Act and to otherwise perform the functions assigned to it in the Act, which has been certified by the Commission. An

Independent Testing Laboratory will not be owned or Controlled by a Racetrack Operator Licensee, the State, or any Manufacturer, supplier or operator of Gaming devices.

**1.001.25 “Internal Controls”** means the internal procedures, administration, and accounting controls designed by the Authorized Gaming Operator, that have been approved by the Commission, for the purpose of exercising control over the gambling operation and its assets.

**1.001.26 "Key employee"** means any executive, employee, agent, or other individual who has the power to exercise significant influence over decisions concerning any part of the operation or a person who has applied for or holds a Gaming Operator, Management Company, or Gaming-Related Vendor license or the operation of a holding company of a person that has applied for or holds a Gaming Operator, Management Company, or Gaming-Related Vendor license, including:

- (1) An officer, director, trustee, partner, or an equivalent fiduciary;
- (2) An individual who holds a direct or indirect ownership interest of five per cent or more;
- (3) An individual who performs the function of a principal executive officer, principal operating officer, principal accounting officer, or an equivalent officer;
- (4) Any other individual the Commission determines to have the power to exercise significant influence over decisions concerning any part of the operation.

**1.001.27 “Key Person”** means any of the following entities:

- (1) An officer, director, trustee, partner, or proprietor of a person that has applied for or holds an Authorized Gaming Operator license, Gaming Facility license, or supplier license or an affiliate or holding company that has control of a person that has applied for or any such license.
- (2) A person that holds a combined direct, indirect, or attributed debt or equity interest of more than 5% in a person that has applied for or holds an Authorized Gaming Operator license, Gaming Facility license, or supplier license.
- (3) A person that holds a combined direct, indirect, or attributed equity interest of more than 5% in a person that has a controlling interest in a person that has applied for or holds an Authorized Gaming Operator license, Gaming Facility license, or supplier license.
- (4) A managerial employee of a person that has applied for or holds an Authorized Gaming Operator license, Gaming Facility license, or supplier license in this state, or a managerial employee of an affiliate or holding company that has control of a person that has applied for or holds an Authorized Gaming Operator license, Gaming Facility license, or supplier license in this state, who performs the function of principal executive officer, principal operating officer, principal accounting officer, or an equivalent officer.

(5) A managerial employee of a person that has applied for or holds an Authorized Gaming Operator license, Gaming Facility license, or supplier license, or a managerial employee of an affiliate or holding company that has control of a person that has applied for or holds an Authorized Gaming Operator license, Gaming Facility license, or supplier license, who will perform or performs the function of gaming operations manager, or will exercise or exercises management, supervisory, or policy-making authority over the proposed or existing gambling operation, casino operation, or supplier business operations in this state and who is not otherwise subject to occupational licensing in this state.

(6) Any individual or business entity so designated by the Commission or Executive Director.

(7) An institutional investor is not a key person unless it has a controlling interest or fails to meet the standards for waiver of eligibility and suitability requirements for qualification and licensure under these rules.

**1.001.28 “Management Company”** means an organization retained by an Authorized Gaming Operator to manage a Gaming Facility and provide services such as accounting, general administration, maintenance, recruitment, and other operational services.

**1.001.29 "Manufacturer"** means a Person who is licensed by the Commission as a Gaming-Related-Vendor to manufacture, fabricate, assemble, produce, program, refurbish, or make Modifications to any Gaming Device or Component thereof, or associated Program Storage Device for sale, lease, distribution, use or play by an Authorized Gaming Operator in the State of Nebraska.

**1.001.30 “Minimum Internal controls Standards (MICS)”** the minimum standards adopted by the Commission for the internal controls of an authorized gaming operator.

**1.001.31 “Patron”** is any person, other than an employee or a vendor, who has entered the Licensed Gaming Premises of the Gaming Facility Authorized Gaming Operator for a commercial purpose.

**1.001.32 "Person"** means any individual, partnership, corporation, or other association or entity.

**1.001.33 "Program Storage Device"** means an EPROM (Erasable Programmable Read-Only Memory), hard drive, DVD, CD-ROM or other storage medium which is used for storing program instructions in a Gaming Device, system or other associated equipment.

**1.001.34 “Progressive Controller”** The hardware and software that controls all communications within a progressive game link and its associated progressive meter.

**1.001.35 “Progressive Game”** a computerized system linking electronic gaming devices within one or several Gaming Facilities and offering one or more common progressive payouts based on the amounts wagered.

**1.001.36 “Provisional License”** means a restricted license that is given to an individual or entity that has not yet met all the requirements, including a completed background investigation, but allows the person or entity to perform for a limited amount of time as though fully licensed.

**1.001.37 “Reserve”** means an account with an independent financial institution or brokerage firm consisting of cash, qualified investments, or other secure funding method approved by the Executive Director used to satisfy periodic payments of prizes.

**1.001.38 “Soft Count”** means the physical counting of currency after it has been removed from Gaming Device.

**1.001.39 “Surveillance Operator”** a Gaming Employee who has been trained to operate the Authorized Gaming Operator’s surveillance equipment. No employee who carries out any duties that are required to be under surveillance may act as a Surveillance Operator.

**1.001.40 “Ticket”** means a receipt produced by a Gaming Device evidencing the purchase and participation in a game or game option also referred to as a “gaming voucher”.

**1.001.41 “Vendor”** means a Person who sells or leases non-gaming goods and/or services to an Authorized Gaming Operator.

**1.001.42 “Wager”** means an act of betting a sum of money on a Game of Chance.

**1.001.43 “Winnings”** means the amount due a winning Patron as a result of a legitimate Wager; “Winnings” are based on a single winning transaction on a Gambling Game or other single transaction that entitles the winning Patron to money, a prize, or other award.

## **CHAPTER 2. THE COMMISSION ORGANIZATION AND OPERATION.**

### **2.001 RECORDS RETENTION.**

**2.001.01** All Authorized Gaming Operators, Gaming Facility owners, Distributor and Supplier licensees will maintain, in a place secure from theft, loss, or destruction, adequate records of its business and accounting operations. The licensees will make the records available to the Commission, upon request, within a reasonable time prescribed by a subpoena duces tecum or by written request of the Commission, the executive director, or his or her designee. The licensees will hold the records for not less than 7 years. The records will include, but not be limited to, all of the following:

**2.001.01A** All correspondence with, or reports to, the Commission or any local, state, or federal governmental agency.

**2.001.01B** All correspondence concerning the acquisition, construction, maintenance, or business of a proposed or existing gaming or support facility.

**2.001.01C** A personnel file on each employee.

**2.001.02** Notwithstanding 2.001.01 of this rule, a gaming operator will hold copies of all promotional and advertising material, records, or complimentary distributions for at least 1 year, unless otherwise requested by the Commission.

**2.001.03** An Authorized Gaming Operator licensee will keep and maintain accurate, complete, legible, and permanent records of any books, records, or documents pertaining to, prepared in, or generated by, the gaming operation, as described in its internal controls, as approved by the Commission.

**2.001.04** An Authorized Gaming Operator will organize and index all required records in a manner that enables the Commission to locate, inspect, review, and analyze the records with reasonable ease and efficiency.

### **2.002 DUTIES.**

**In addition to the duties prescribed in the Act, the Commission has the duties described as follows.**

**2.002.1** Determine the priority and eligibility of any applicant for a license and to select among competing applicants for a license, the applicant who or which best serves the interests of the residents of Nebraska;

**2.002.2** Adopt technical standards governing the design, operation and control of gaming equipment;

**2.002.3** Approve the hours of operation for each Gaming Facility which may include days on which gaming operations are prohibited from opening;

**2.002.4** Audit or cause audit of gaming operations, including those that have ceased operation;

**2.002.5** Receive and investigate complaints from gaming patrons concerning the conduct of gaming;

**2.002.6** Inspect, test and approve gaming equipment and chips proposed for use or placed in use in Authorized Gaming Facilities;

**2.002.7** Approve locations for the storage and servicing of gaming equipment;

**2.002.8** Summarily disable and direct removal from the gaming facility, such gaming supplies, devices, or equipment that is suspected to be in violation of the Act, these regulations, or has been otherwise compromised, for the purpose of examination and inspection;

**2.002.9** Establish procedures for the governance of the Commission;

**2.002.10** Contract for the services of, legal, accounting, technical, operational, and other personnel and consultants;

**2.002.11** Secure, by agreement, information and services as the Commission considers necessary from any other unit of government;

**2.002.12** Maintain the Excluded Persons Database in accordance with the provisions of Chapter 13 of these rules;

**2.002.13** Establish Minimum Internal Controls for the operation of gaming within each Gaming Facility to provide guidance for each Gaming Facility to develop their own Internal Controls; and

**2002.14** Determine any facts or any conditions, practices, or other matters as the Commission considers necessary or proper to aid in the enforcement of the Act.

## **2.003 DELEGATION OF AUTHORITY.**

**2.003.01** The Commission members may, in their discretion and where permitted by law, delegate the authority to perform any of the agency's functions. Except as provided in section 2.006.04 of this rule, any determination made pursuant to delegated authority will for all purposes be deemed the final action of the Commission, without approval, ratification or other further action by the members.

**2.003.02** Any delegation of authority will be effected through formal action at a Commission meeting.



**2.003.03** All delegations of authority made pursuant to this rule will remain in effect indefinitely unless otherwise specified. Any delegation of authority previously approved may be revoked or modified through subsequent member action at a meeting held under sections 3.007 and 3.008 of this Chapter.

**2.003.04** Any determination made pursuant to delegated authority may be reviewed by the members. Any such determination is deemed final unless modified or reversed by member action at a Commission meeting.

**2.003.05** Notwithstanding any other provision of this rule, any matter that has been delegated may alternatively be presented to, and determined by, the members on their own motion, at the discretion of the chairperson, or upon the request of the executive director.

#### **2.004 MEETINGS.**

**2.004.01** Persons wishing to appear before the Commission should submit a written request to the Commission office not less than seven (7) calendar days prior to the meeting. The Executive Director or Commission may place a time limit on presentations after considering the number of presentations requested.

#### **2.005 SUBPOENA POWER.**

**2.005.01** Concerning any matter under its jurisdiction, the Commission may require that testimony be given under oath and administer such oath, issue subpoenas compelling the attendance of witnesses and the production of any papers, books, and accounts, and cause the deposition of any witness.

**2.005.02** In the event of the refusal of any person without good cause to comply with the terms of a subpoena issued by the Commission or the refusal to testify on matters about which the person may lawfully be questioned:

**2.005.03** The Commission may discipline any applicant or licensee, in accordance with the Act and Commission rules adopted thereunder, for failing or refusing to submit to a properly issued subpoena.

#### **2.006 ADMINISTRATION OF THE COMMISSION.**

**2.006.01** The Commission will appoint an Executive Director who is responsible for the day-to-day administration of the Commission's activities. The Executive Director will have had at least five years of responsible supervisory administrative experience in a governmental regulatory agency.

#### **2.007 CODE OF CONDUCT.**

**2.007.01** The Commission will create, maintain, and, as needed, update a Code of Conduct governing Commission members, the Executive Director, and staff, as well as those doing or seeking to do business with, interested in matters before or regulated by the Commission. The

code of conduct and any updates thereto will be approved by majority vote at an open meeting of the Commission.

## **CHAPTER 3. GAMING LICENSING REQUIREMENTS**

### **3.001 LICENSE REQUIRED.**

**3.001.01** A person shall not conduct or participate in conducting Gambling Games or offer products or services relating to the conduct of gaming unless the person holds a valid license issued by the Commission.

### **3.002 CATEGORIES OF LICENSES; TERMS.**

**3.002.01** The Commission may create categories of licenses and establish a fee structure for license categories not to exceed the maximum fee for each category as set forth in this chapter. In its discretion, the Commission may establish classifications within a license category to establish a license fee structure for the category that reflects cost of administration and regulation need for each classification of license. The Commission will review its license fee structure annually and include an analysis in its annual report. Applicants for each category of license must apply on forms approved by the Commission to be accompanied by the corresponding license application fee. All application fees are non-refundable.

**3.002.02 Categories of Licenses** - The Commission may classify an activity to be licensed in addition to, different from, or at a different level than, the following license classifications:

**3.002.02A Authorized Gaming Operator License** authorizes an Authorized Gaming Operator or Management Company to conduct Authorized Games as defined by the Act under the regulation, implementation, and enforcement of the Commission. The License authorizes the approved Authorized Gaming Operator to acquire, own, lease, possess, and operate Gaming Devices at a Licensed Racetrack Enclosure. The term of a Gaming Operator License is a minimum of twenty (20) years for a fee of one million dollars (\$1,000,000.00).

**3.002.02B Gaming Facility License** authorizes an Authorized Gaming Operator to operate a Gaming Facility, but also serves as a mechanism for the Commission to issue assessments and will complement but not supersede the Authorized Gaming Operator License fee to reimburse the Commission for its operational costs. The Authorized Gaming Operator will apply for a Gaming Facility License annually. Assessments will be calculated per annum and will be paid by the Authorized Gaming Operator holding the Gaming Facility License on at least a quarterly basis. An Authorized Gaming Operator will not pay any assessment for the first year of operation.

**3.002.02C Gaming-Related Vendor License** The following will obtain and hold a Gaming-Related Vendor license:

**3.002.02C(i)** Any individual, partnership, corporation, association, trust, or any

other group of individuals (however organized) who supplies gaming-related equipment, goods, or services to an Authorized Gaming Operator or Gaming Facility that are directly related to or affect gaming activity authorized by the Act, including but not limited to, the manufacture, sale, distribution, or repair of gaming devices and equipment related to table games, as defined in the Act; and

**3.002.02C(ii)** Any Management Company owning gaming devices, supplies, and equipment.

**3.002.02C(iii)** Any individual, partnership, corporation, association, trust, or any other group of persons (however organized) that leases or otherwise permits an Authorized Gaming Operator to use a Gaming Facility to conduct or participate in the conduct of gaming authorized under the Act.

**3.002.03** The Commission may require employees of a Gaming-Related Vendor licensee whose presence on a Gaming Facility is required to install, service, or repair gaming equipment, related devices, or systems to obtain an occupational license, Level 3.

**3.002.04** An employee of a Gaming-Related Vendor licensee that will be present on a Gaming Facility regularly may be required to obtain an occupational license of a category to be determined by the Commission.

**3.002.05** The term of a Gaming-Related Vendor License is three (3) years and requires an initial license application fee not to exceed \$5,000.00, and an annual license fee, payable in the first year following initial licensure, not to exceed \$2,000.00.

### **3.003 KEY PERSON LICENSE.**

**3.003.01** Persons within the definition of Key Person as defined in Chapter 1, Section 3 of these regulations will file an application for a Key Person license of forms provided by the Commission. All application fees are established to cover the cost of the background investigation. To the extent the cost of any applicant's background investigation, exceeds the amount of the application fee, the applicant must pay the balance before being considered for licensure. Provisional licenses may be issued prior to completing the background investigation.

**3.003.01A** Key Persons associated with an Authorized Gaming Operator applicant or licensee who are not Management Companies, will pay a non-refundable application fee of \$10,000.00.

**3.003.01B** When an Authorized Gaming Operator employs or contracts with a Management Company to participate, advise or otherwise control all or a portion of the Gaming Operation, the Management Company will apply for a Key Person license and pay a non-refundable application fee of \$15,000.00.

**3.003.01C** The non-refundable application fee for Key Persons associated with a Gaming-Related Vendor's license will be an amount prescribed by the Commission to cover the estimated cost of the investigation, not to exceed \$1,000.00. however, the applicant will be responsible for the full cost of the investigation, if it exceeds the amount of the non-

refundable application fee.

**3.003.01D** All other Key Person applicants will pay a non-refundable application fee set by the Commission, not to exceed \$10,000.00.

**3.003.01E** Annual renewal fees for Key Persons will be an amount set by the Commission, not to exceed \$2,000.00.

### **3.004 OCCUPATIONAL LICENSES.**

**3.004.01** The following persons are required to hold an occupational license:

**3.004.01A** A person employed by an Authorized Gaming Operator or Management Company and whose duties are to be performed on the Gaming Facility.

**3.004.01B** All security personnel.

**3.004.01C** Managers or supervisory personnel.

**3.004.01D** Employees whose duties are performed off the Gaming Facility and whose duties include the handling of money or performing accounting and auditing functions that involve money obtained as a result of gaming or other operations on the Gaming Facility.

**3.004.02** An occupational license, Level 1 is the highest level of occupational license. An occupational licensee may perform any activity included within the occupational licensee's level of occupational license or any lower level of occupational license.

**3.004.03** An employee of an Authorized Gaming Operator or Management Company who does not hold an occupational license shall not perform any duties on the Gaming Facility at any time.

**3.004.04** A person under nineteen (19) years of age will not hold an occupational license of any level if said license requires presence on the gaming floor. Applicants for Occupational License Level I must be at least nineteen (19) years of age.

**3.004.05** An application for an occupational license will not be processed by the Commission unless the applicant has an agreement or a statement of intent to hire with an Authorized Gaming Operator licensee or applicant, documenting that the applicant will be employed upon receiving the appropriate occupational license.

**3.004.06** Employees of an Authorized Gaming Operator who perform the following functions, regardless of title, will obtain an Occupational license, Level 1:

**3.004.06A** Audit director.

**3.004.06B** Internal audit director.

**3.004.06C** Chief regulatory compliance officer.

**3.004.06D** Information technology director and managers.

**3.004.06E** Casino director.

**3.004.06F** Surveillance director

**3.004.06G** Chief financial officer or controller, or both.

**3.004.06H** Gaming operation director

**3.004.06I** Electronic gaming device director.

**3.004.06J** Human resources director.

**3.004.06L** Marketing director.

**3.004.06M** Table games director.

**3.004.06N** General manager.

**3.004.06O** Assistant general manager.

**3.004.06P** Support operations director.

**3.004.06Q** Any other employee of an Authorized Gaming Operator whom the Commission deems necessary, to ensure compliance with the Act and these rules, to hold an occupational license, Level 1.

**3.004.07** A person holding a Level I license employed by an Authorized Gaming Operator or Management Company may not be employed concurrently by a Gaming-Related Vendor, except that a person holding a Level I license may be employed by a licensed Management Company that is also licensed as a Gaming-Related Vendor.

**3.004.08** Employees of Authorized Gaming Operators who perform the following functions, regardless of title, will obtain an occupational license, Level 2:

**3.004.08A** Security personnel and surveillance personnel.

**3.004.08B** Any employee of an Authorized Gaming Operation whose duties are performed on the Gaming Facility and whose employment duties affect gaming.

**3.004.08C** Any employee of an Authorized Gaming Operator whose duties are performed on or off the Gaming Facility and whose employment duties affect the flow of money

obtained as a direct result of gaming operations or other operations on the Gaming Facility.

**3.004.08D** Any employee of an Authorized Gaming Operator whose duties include accounting and auditing functions and whose duties relate to money obtained as a result of gaming or other operations on the Gaming Facility.

**3.004.08E** Any other employee of an Authorized Gaming Operator whom the Commission deems necessary, to ensure compliance with the Act and these rules, to hold an occupational license, Level 2.

**3.004.09** Employees of Authorized Gaming Operators who perform the following functions, regardless of title, will obtain an occupational license, Level 3:

**3.004.09A** Any employee of an Authorized Gaming Operation whose duties are performed on a Gaming Facility and who are not employees described in subsection 3.004.07 or 3.004.08.

**3.004.09B** Any other employee whose job functions require them to have regular access to a Gaming Facility whom the Commission deems necessary, to ensure compliance with the Act and this title, to hold an occupational license, Level 3.

**3.004.010** The term of all occupational license levels is three years. Occupational license level 1 requires an initial license application fee not to exceed \$5000.00 and an annual license fee not to exceed \$1000. Occupational license levels 2 and 3 require an initial application fee not to exceed \$250.00 and an annual license fee not to exceed \$125.00.

### **3.005 PAYMENT OF FEES AND ASSESSMENTS; COSTS REQUIRED.**

**3.005.01** Applicants for any license issued by the Commission under the provisions of this Chapter must pay all fees and assessments prescribed either by law or these Rules and Regulations in the manner and at the time prescribed by law and/or these Rules and Regulations. Application fees and applicable assessments for all Gaming Facility Licenses and must be paid by the applicant at the time that an application is filed with the Commission. None of the licenses listed in this Chapter may be transferred, sold, or assigned.

**3.005.02** The Commission may refuse to take final action on any application if all license regulation, investigation, and fingerprint fees have not been paid in full. The Commission may deny the application if the applicant refuses or fails to pay all such fees. Additionally, an applicant who has refused or failed to pay the required costs will not be eligible to file any other application with the Commission until all such fees are paid in full. Neither the license fee or regulation fees nor any other fee is refundable.

### **3.006 CONFIDENTIAL INFORMATION.**

The records of the Commission will be governed by the Nebraska Public Records Act, Neb. Rev. Stat. §§ 84-712 through 84-712.09. Any party who submits materials to the Commission in accordance with the Act or this title may identify materials it believes should be withheld from public disclosure pursuant to Neb. Rev. Stat. § 84.712.05 by stating the reason it believes the materials may be withheld.

### **3.007 APPLICATION FOR A GAMING LICENSE.**

**3.007.01** An application for a license under the Act and these rules is a request by the applicant seeking a revocable privilege. A license may be granted by the Commission if the applicant meets the licensing requirements of the act and these rules.

**3.007.02** An applicant for a license under the Act and these rules will, at all times, have the burden of demonstrating to the Commission, by clear and convincing evidence, that the applicant is eligible, qualified, and suitable to be granted and retain the license for which application is made under the applicable licensing standards and requirements of the Act and these rules.

**3.007.03** A license or certificate of suitability issued by the Commission under the Act or these rules is a revocable privilege granted by the Commission. A person who holds a license does not acquire, and will not be deemed to acquire, a vested property right, or other right, in the license.

**3.007.04** An applicant or licensee will accept any risk of adverse publicity, public notice, notoriety, embarrassment, criticism, financial loss, or other unfavorable or harmful consequences that may occur in connection with, or as a result of, the application and licensing process or the public disclosure of information submitted to the Commission with a license application or at the Commission's request under the Act and these rules.

**3.007.05** Licensees have a continuing obligation to demonstrate suitability to hold a license by complying with the Act, these regulations, and all federal, state, and local laws that relating to the suitability of the licensee. The Commission may reopen the investigation of a licensee at any time. The licensee will be assessed fees, if any, to cover the additional costs of the investigation.

**3.007.06** An applicant or licensee may claim any privilege afforded by the Constitution or laws of the United States or of the state of Nebraska in refusing to answer questions or provide information requested by the Commission. However, a claim of privilege with respect to any testimony or evidence pertaining to the eligibility, qualifications, or suitability of an applicant or licensee to be granted or hold a license under the Act and these rules may constitute cause for denial, suspension, revocation or restriction of the license.

**3.007.07** An applicant and licensee will have a continuing duty to do all of the following:

**3.007.07A** Notify the Commission of a material change in the information submitted in the license application submitted by the applicant or licensee or a change in circumstance, that may render the applicant or licensee ineligible, unqualified, or unsuitable to hold the license under the licensing standards and requirements of the act and these rules.

**3.007.07B** Provide any information requested by the Commission relating to licensing or regulation; cooperate with the Commission in investigations, hearings, and enforcement

and disciplinary actions; and comply with all conditions, restrictions, requirements, orders, and rulings of the Commission in accordance with the Act and these rules.

### **3.008 GENERAL FORM AND REQUIREMENTS FOR LICENSE APPLICATIONS.**

**3.008.01** Every application for must be submitted on forms supplied or approved by the Commission and contain such information and documents as required.

**3.008.02** The applicant must file with the application all required supplemental forms.

**3.008.03** Upon request of the Commission, the applicant must further supplement any information provided in the application. The applicant must provide all requested documents, records, supporting data, and other information within the time period specified in the request. If the applicant fails to provide the requested information within the required time period as set forth in the request or these Rules and Regulations, the Commission may deny the application unless good cause is shown.

**3.008.04** All information required to be included in an application must be true and complete as of the date of Commission action sought by the applicant. If there is any change in the information contained in the application, the applicant must file a written amendment.

**3.008.05** The application and any amendments must be sworn to or affirmed by the applicant. If any document is signed by an attorney for the applicant, the signature must certify that the attorney has read the document and that, to the best of the attorney's knowledge, information and belief, based on diligent inquiry, the contents of the documents supplied are true.

**3.008.06** The applicant must cooperate fully with the Commission with respect to the background investigation of the applicant, including, upon request, making available any and all of its books and records for inspection. The Commission will examine the background, personal history, financial associations, character, record, and reputation of the applicant to the extent the Commission determines.

**3.008.07** The Commission will automatically deny the application of any applicant that refuses to submit to a background investigation.

**3.008.08** Neither the State, the Commission, any agency with which the Commission contracts to conduct background investigations, nor the employees of any of the foregoing, may be held liable for any inaccurate information obtained through such an investigation.

**3.008.09** Three (3) years prior to the expiration date of the Authorized Gaming Operator License, the Authorized Gaming Operator may submit an application for a renewal of the Authorized Gaming Operator License for an additional term. If the Commission, after investigation of the application, grants a renewal of an Authorized Gaming Operator License, the new effective date of such license will be the day following the expiration of the original Authorized Gaming Operator License.



### **3.009 CONDITIONS OF AN AUTHORIZED GAMING OPERATOR LICENSE.**

**3.009.01** In addition to conditions imposed in any provisional license issued by the Commission under this Chapter an Authorized Gaming Operator License issued by the Commission is subject to the following conditions:

**3.009.01A** The Authorized Gaming Operator will at all times make its Gaming Facility available for inspection by the Commission or their authorized representatives with or without prior announcement. Additionally, the Authorized Gaming Operator understands that a Gaming Agent is authorized to be present anywhere within the Gaming Facility each day, at any time during operation of the Gaming Facility, and whenever else deemed appropriate by the Commission.

**3.009.01B** The Authorized Gaming Operator consents to the examination of all accounts, bank accounts, and records of, or under the Control of the Authorized Gaming Operator, or any entity in which the Authorized Gaming Operator has a direct or indirect Controlling interest. Upon request of the Commission or its authorized representative, the Authorized Gaming Operator must authorize all third parties in possession or Control of the requested documents to allow the Commission or Gaming Agents to examine such documents.

**3.009.01C** The Authorized Gaming Operator will be responsible for all applicable registration, taxation, and licensing imposed by the Act or other State law upon the Authorized Gaming Operator License, Gaming Device, or associated equipment.

**3.009.01D** The Authorized Gaming Operator will observe and enforce all Rules, regulations, decisions, and orders issued by the Commission. The Authorized Gaming Operator License is granted on the condition that the Authorized Gaming Operator, Key Person(s), and its employees, will comply with all decisions and orders of the Commission. Each Authorized Gaming Operator will have a continuing duty to report to the Commission Enforcement Division any violation of the Rules or applicable Laws of the State of Nebraska by the Authorized Gaming Operator, Key Person(s), and its employees. Failure to report violations will result in disciplinary action against the Authorized Gaming Operator.

### **3.010 GENERAL GROUNDS FOR REFUSAL TO ISSUE OR DENIAL OF AUTHORIZED GAMING OPERATOR LICENSE APPLICATIONS.**

**3.010.01** The Commission may refuse to issue an Authorized Gaming Operator License or deny any Authorized Gaming Operator License application on any grounds deemed reasonable by the Commission. Without limiting the foregoing, the Commission may deny the application on any of the following grounds:

**3.010.01A** Evidence of an applicant submitting an untrue or misleading Statement of material fact, or willful omission of any material fact, in any application, Statement, or notice filed with the Commission, made in connection with any investigation, including the background investigation, or otherwise made to the Commission or its staff;

**3.010.01B** Conviction of any felony in any jurisdiction by Key Person(s) of the applicant or by the applicant which may affect the applicant's ability to properly perform his or her duties or reflect unfavorably on the integrity of a Gaming Facility;

**3.010.01C** Conviction of any gambling offense in any jurisdiction by Key Person(s) or by the applicant;

**3.010.01D** Entry of any civil or administrative judgment against the applicant or its Key Person(s) that is based, in whole or in part, on conduct that allegedly constituted a felony crime in the State or other jurisdiction the conduct occurred that may affect the applicant's ability to properly perform his or her duties or reflect unfavorably on the integrity of a Gaming Facility, or involved a gambling violation(s);

**3.010.01E** Association by the applicant, applicant's spouse or members of applicant's immediate household with Persons or businesses of known criminal background or Persons of disreputable character that may adversely affect the general credibility, security, integrity, honesty, fairness or reputation of the proposed Gaming Activity;

**3.010.01F** Any aspect of the applicant's (or any Person(s)) past conduct, character, or behavior that the Commission determines would adversely affect the credibility, security, integrity, honesty, fairness or reputation of the proposed activity;

**3.010.01G** Failure of the applicant or its employees to demonstrate adequate business ability and experience to establish, operate, and maintain the business for the type of activity for which application is made;

**3.010.01H** Failure to demonstrate adequate financing for the operation proposed in the application;

**3.010.01I** Failure to satisfy any requirement for application or to timely respond to any request by the Commission for additional information;

**3.010.01J** Permanent suspension, revocation, denial or other limiting action on any license related to Gambling Games issued by any jurisdiction; and

**3.010.01K** Approval of the application would otherwise be contrary to Nebraska law or public policy.

**3.010.02** The Commission in the same manner and in accordance with the Nebraska Administrative Procedures Act will provide the Applicant with written notice of the denial and the Applicant will be provided with the opportunity to appeal the Commission decision.

### **3.011 CURRENT RACETRACK LICENSE REQUIRED FOR AUTHORIZED GAMING OPERATOR LICENSE.**

**3.011.01** If the Racetrack License is suspended, revoked, or not renewed pursuant to *Neb. Rev. Stat. §2-1203* during the term of an Authorized Gaming Operator License, and such suspension, revocation, or non-renewal is not cured pursuant to *Neb. Rev. Stat. §2-1203*, the Authorized Gaming Operator License will be suspended until a Racetrack License is reinstated for the racetrack enclosure.

### **3.012 OPERATIONS PLAN REQUIREMENT.**

**3.012.01** The applicant for an Authorized Gaming Operator License must submit with the application a proposed operations plan for the conduct of gaming. The plan must include the following:

**3.012.01A** Architectural Plans and specifications. The plans, drawings, and specifications for the construction, furnishing, and equipping of the Gaming Facility, including, but not limited to, detailed specifications and illustrative drawings or models depicting the proposed size, layout and configurations of the component parts of the facility, including electrical and plumbing systems, engineering, structure, and aesthetic interior and exterior design as are prepared by one or more licensed professional architects and engineers;

**3.012.01B** The total estimated construction cost of the gaming facility proposed by the applicant distinguishing between known costs and projections, and separately identifying:

- (1) A facility design expense;
- (2) Land acquisition or site lease costs;
- (3) Site preparation costs;
- (4) Construction cost or renovation cost;
- (5) Equipment acquisition cost;
- (6) Cost of interim financing;
- (7) Organization, administrative and legal expenses; and
- (8) Projected permanent financing costs;

**3.012.01C** An estimated timetable for the proposed financing arrangements through completion of construction.

**3.012.01D** The construction schedule proposed for completion of the Gaming Facility including therein projected dates for completion of construction and commencement of Gaming Activities and indicating whether the construction contract includes a performance bond.

**3.012.01E** Explanation and identification of the source or sources of funds for the construction of the Gaming Facility;

**3.012.01F** A general description of the type and number of Gaming Devices proposed for operation;

**3.012.01G** Generic description of the games to be played on the machines and the proposed placement of the machines in the Gaming Facility;

**3.012.01H** Proposed administrative, accounting, and internal controls procedures, including monetary control operations;

**3.012.01I** A general promotion and advertising plan. A general description of the amounts, kinds and types of general promotion and advertising campaign(s) which will likely be undertaken by the applicant including information whether any national or regional advertising will occur, the medium(s) which may be used, the proposed market and whether any other facility or activity except the Gaming Facility will be included in such advertising;

**3.012.01J** Proposed security plan in accordance with Chapter 6;

**3.012.01K** Proposed staffing plan for gaming operations, provided that such plan is updated at least one-hundred-twenty (120) days prior to the proposed opening date of the Gaming Facility to include the identification of those employees proposed for a position that may require a Level I Occupational License;

**3.012.01L** At least one-hundred-twenty (120) days prior to the proposed opening date, applications for all employees who will require level 1 occupational licenses will be filed with the Commission;

**3.012.01M** Method to be used for prize payouts (i.e. annuity, lump sum, cash, reward credits);

**3.012.01N** Details of any proposed progressive systems; and

**3.012.01O** Any other information requested by the Commission.

**3.012.02 Inspections During Construction.** The Commission may inspect an eligible Gaming Facility during construction. Upon the presentation of identification, the Commissioners or authorized Commission personnel will be given immediate access to any place where construction of a Gaming Facility or any of its component parts is underway.

**3.012.03** After construction is complete or substantially complete the Licensee or applicant will submit to the Commission written certification from the registered civil engineer that construction was in accordance with the design and construction plans and these rules.

**3.012.04** Gaming Facilities must include sufficient office space for Commission staff and on-site licensing. This office space will provide an adequate work environment and shall include utilities, office equipment, voice communication and data lines, and custodial services. The licensee will also make available appropriate parking places for Commission staff.

**3.012.05** The operations plan must provide for an escrow account or accounts to be established and maintained in accordance with Commission requirements for the purpose of holding in

reserve large or progressive prizes to be won by participants and generated by the Gaming Facility. In the alternative, the Operator may secure the payment of such prizes through other funding mechanisms such as an irrevocable surety bond, irrevocable trust with an Independent Financial Institution, other trust mechanism, or letters of credit, including credit facilities available to the operator.

**3.012.06** The use of annuity payments in lieu of immediate prize payments must in every instance be pre-approved by the Commission.

**3.012.07** An applicant for an Authorized Gaming Operator License is responsible for ensuring that Key Person(s) applications are filed in accordance with the Act and these Rules and Regulations. The Commission may delay approval of or deny an application for an Authorized Gaming Operator License on the grounds that a Key Person(s) application has not been submitted as required.

**3.012.08** An Authorized Gaming Operator License will not be granted unless the Commission first determines that the operations plan submitted is suitable for the type of operation proposed and otherwise complies with the requirements of the Act and these Rules and Regulations. The detailed material submitted with the Authorized Gaming Operator License application may be included in an exception to the Nebraska Public Records Law and/or subject to redaction.

### **3.013 INSTITUTIONAL INVESTORS.**

**3.013.01** For the purposes of these rules, "Institutional investor", refers to any of the following entities having a 5 percent or greater ownership interest in a gaming establishment or gaming licensee: A corporation, bank, insurance company, pension fund or pension fund trust, retirement fund, including funds administered by a public agency, employees' profit-sharing fund or employees' profit-sharing trust, an association engaged, as a substantial part of its business or operation, in purchasing or holding securities, or any trust in respect of which a bank is a trustee or co-trustee, investment company registered under the federal Investment Company Act of 1940, collective investment trust organized by banks under part 9 of the Rules of the Comptroller of Currency, closed end investment trust, chartered or licensed life insurance company or property and casualty insurance company, investment advisor registered under the federal Investment Advisers Act of 1940, and such other persons as the Commission may reasonably determine to qualify as an institutional investor for with the purposes of this chapter.

**3.013.02** To be presumed suitable or qualified as an institutional investor, an entity will submit to the Commission:

- (1) Documentation sufficient to establish qualifications as an institutional investor;  
and
- (2) completed certification form, as required and prescribed by the Commission.

**3.013.03** The Commission may request any other information that would affect an entity's suitability or qualification as an institutional investor. The entity will provide all information, documents and materials at the entity's sole expense and cost.

**3.013.04** An institutional investor will notify the Commission within thirty days of any increase in its percentage ownership of the securities of the Authorized Gaming Operator, Gaming-Related Vendor, Gaming Facility owner, or holding, intermediate, subsidiary, or parent company of the Authorized Gaming Operator, Gaming-Related Vendor, Gaming Facility owner that issued the publicly traded securities held by the entity when such percentage ownership is greater than ten percent (10%).

**3.013.05** An institutional investor will notify the Commission within 10 calendar days of any changes to its name or to its state of incorporation or principal place of business.

**3.013.06** An institutional investor will notify the Commission within 10 calendar days of any inquiry into, investigation of or action filed against the entity by any gaming regulatory agency or authority or other governmental agency or authority, except for routine renewal reviews.

**3.013.07** An institutional investor will notify the Commission immediately, which shall not be more than 48 hours after receiving notice of any rejection, suspension, revocation or denial of any institutional investor process by any gaming regulatory agency or authority, and any fine, penalty or settled amount relating to any institutional process or gaming-related license imposed upon or agreed to by the entity in any jurisdiction.

**3.013.08** An institutional investor will notify the Commission within 10 calendar days of any other information that would affect the entity's suitability or qualifications as an institutional investor under these rules.

**3.013.09** The Commission may rescind any institutional investor designation if:

**3.013.09A** The institutional investor notifies the Commission that it exercises or intends to exercise influence over the affairs of the Authorized Gaming Operator, Gaming-Related Vendor, Gaming Facility owner, or holding, intermediate, subsidiary, or parent company of the Authorized Gaming Operator, Gaming-Related Vendor, Gaming Facility owner that issued the publicly traded securities held by the entity; or

**3.013.09B** The Commission discovers that the institutional investor exercises or intends to exercise influence over the affairs of the Authorized Gaming Operator, Gaming-Related Vendor, Gaming Facility owner, or holding, intermediate, subsidiary, or parent company of the Authorized Gaming Operator, Gaming-Related Vendor, Gaming Facility owner that issued the publicly traded securities held by the entity.

**3.013.10** Upon rescission of a designation as an institutional investor, an entity will submit information required by the Commission within thirty days and undergo a suitability background evaluation.

**3.013.11** This rule will not be construed to preclude the Commission from investigating the suitability or qualifications of an institutional investor if the Commission becomes aware of facts or information that may result in the institutional investor being found unsuitable or disqualified as an institutional investor.

### **3.014 PASSIVE INVESTOR.**

**3.014.01** Any investor in an Authorized Gaming Operator, Management Company, Holding Company, or Gaming-Related Vendor that falls below the threshold needed to be considered an institutional investor will not:

**3.014.01A** Exercise influence over the affairs of the Authorized Gaming Operator, Management Company, Holding Company, or Gaming-Related Vendor;

**3.014.01B** Exercise influence over the affairs of a holding, intermediate, subsidiary or parent company of the Authorized Gaming Operator, Management Company, Holding Company, or Gaming-Related Vendor;

- i. Use or authorize the use of authority or influence of its employees, members, or owners to secure anything of value or the promise or offer of anything of value that is of such character as to manifest a substantial and improper influence in relation to the gaming activities under the jurisdiction of the Commission; or
- ii. Participate in any other conduct in relation to the operation of gaming in Nebraska that the Commission considers inconsistent with passive institutional investment status.

**3.014.02** Any investor failing to comply with this rule will no longer have the status as a passive institutional investor.

### **3.015 TRANSFERABILITY OF OWNERSHIP.**

**3.015.01** Authorized Gaming Operator licenses are not transferable. Where there is a new majority ownership interest or control of an Authorized Gaming Operator licensee, the new owner or person in control of the licensee will apply for a new license and is not permitted to continue operating the Gaming Facility using the license of the acquired entity.

### **3.016 CREDENTIALS.**

**3.016.01** The credential issued to an employee pursuant to this Chapter will contain the inscription "State of Nebraska," the seal of the State, the name of the Commission, a picture of the licensee, and a license number. Credentials may also include the signature of the registrant and the following information: name, date of birth, photo identification, and any other information the Commission considers necessary.

**3.016.02** Any licensee will promptly report the loss or destruction of their license credential to the Commission's Enforcement Division.

**3.016.03** As soon as possible following the loss or destruction of an employee license credential, the Person to whom the license credential was originally issued will apply to the Commission for a replacement license credential.

**3.016.04** Upon written request, a licensee's credentials may be amended to account for name changes and any other information as authorized by the Commission.

**3.016.05** Any new credentials may be subject to a replacement fee as determined by the Commission, not to exceed \$75. Licensees requiring replacement credentials more than two (2) times in a calendar year may be subject to disciplinary action.

**3.016.06** Licensees whose employment with Authorized Gaming Operator is terminated for any reason will surrender their license credentials to the Commission agent on duty or to the Authorized Gaming Operator. If credentials are surrendered to an Authorized Gaming Operator, the credentials will be promptly surrender to a Commission agent.

### **3.017 PROVISIONAL LICENSES.**

**3.017.01** The Commission may issue a Provisional License to any Applicant who provides the required fingerprint cards, photographs, completed application, and intent to employ Statement. Provisional licenses may be valid for a period established by the Commission but will not be more than ninety (90) days and is subject to the license conditions enumerated in the Commission's authorization of the Provisional License.

**3.017.02** The Commission may extend the duration of Provisional Licenses in thirty (30) day increments if the licensing process has not been completed.

### **3.018 INSURANCE.**

**3.018.01** Authorized Gaming Operator, Holding Company, and Gaming-Related Vendor licensees must obtain and maintain insurance in a minimum amount determined by the Commission and in the following types:

- (1) Liability;
- (2) Casualty
- (3) Property
- (4) Crime
- (5) Worker's Compensation; and
- (6) Any other type of insurance the Commission deems necessary.

**3.018.02** If any Authorized Gaming Operator, Holding Company, and Gaming-Related Vendor licensee, at any time, fails to maintain the minimum amount and types of insurance determined by the Commission, the Commission may initiate disciplinary action.



## **CHAPTER 4: INTERNAL CONTROLS.**

### **4.001 SYSTEM OF INTERNAL CONTROLS – GENERAL REQUIREMENTS.**

**4.001.01** The holder of an Authorized Gaming Operator license will establish, maintain and update an internal control system That has been approved by the Commission. The system of internal control procedures is designed to ensure all of the following:

- a. Assets are safeguarded
- b. The financial records of the Authorized Gaming Operator are accurate and reliable;
- c. The transactions of the Authorized Gaming Operator are performed only in accordance with the statutes and these rules;
- d. The transactions are recorded adequately to permit the proper recording of the gaming revenue, fees, and all applicable taxes and payments;
- e. Accountability of assets is maintained pursuant to generally accepted accounting principles;
- f. Only authorized personnel have access to assets;
- g. Account balances are complete and accurate, and appropriate action is taken with respect to discrepancies;
- h. Accounts and personal identifiable information are adequately protected;
- i. The functions, duties, and responsibilities are appropriately segregated and performed pursuant to sound practices by competent, qualified personnel;
- j. Supervision is provided as needed for each function by personnel with authority equal to or greater than those being supervised;
- k. No employee of the Authorized Gaming Operator, a vendor, or a third-party provider is in a position to perpetuate and conceal errors or irregularities in the normal course of the employee’s duties; and
- l. Games of chance are conducted with integrity and in accordance with the Act and these rules.

### **4.002 APPROVAL OF INTERNAL CONTROLS.**

**4.002.01** The responsibility for approving, on behalf of the Commission, the Internal Control Systems for Authorized Gaming Operators is delegated to the Executive Director provided that he finds them to be compliant with the provisions of the Act and these rules.

**4.002.02** Prior to gaming being conducted at the Gaming Facility, an Authorized Gaming Operator must submit its administrative and accounting procedures in detail in an Internal Control System for Commission review and written approval. The Internal Control System must address each subject included in the MICS and include a detailed narrative description of the administrative, accounting, and operational procedures designed to satisfy the requirements of these rules.

**4.002.03** Within the Internal Control System, the Authorized Gaming Operator must establish, as approved by the Commission, the threshold level at which a variance must be reviewed to

determine the cause. Any such review must be documented.

**4.002.04** To the extent a third-party is involved in or provides any of the Internal Control System required in these rules, the Authorized Gaming Operator's Internal Control System must document the roles and responsibilities of the third-party and must include procedures to evaluate the adequacy of and monitor compliance with the third-party's Internal Control System.

#### **4.003 AMENDMENTS TO INTERNAL CONTROL SYSTEMS.**

**4.003.01** Amendments to any portion of the Internal Control Systems must be submitted to the executive director for approval. If within thirty (30) days the Commission has not approved, denied, or otherwise provided written notice, an Authorized Gaming Operator, or both, may implement the amended internal controls as submitted with the Commission retaining its authority to require further amendment, approval, or denial.

**4.003.02** The executive director may, in writing, approve, deny, or require a revision to the amendment to the Internal Control Systems. If the Authorized Gaming Operator is notified of a required revision, the Authorized Gaming Operator must work with the Commission to address the revision.

**4.003.03** If the Commission requests additional information, clarification, or revision of an amendment to an internal control and the Authorized Gaming Operator, or both, fail to satisfy the request within thirty (30) days after the Commission request, the Commission will consider the amendment denied and it cannot be implemented or, if previously implemented under subsection 4.003.01 of this section, the Authorized Gaming Operator has fifteen (15) days to cease implementation of that amendment. If the Authorized Gaming Operator subsequently wants to pursue the amendment, it must resubmit the request along with the additional information previously requested by the Commission.

**4.003.04** In the event that the MICS are amended, each Authorized Gaming Operator whose procedures are affected by the amended MICS will, within thirty (30) days of the effective date of the amended rule, amend its Internal Control System, submit a copy of their amended Internal Control System to the Commission and comply with the MICS and amended Internal Control System. The Commission, in its sole and absolute discretion, may extend the time for complying with this rule.

**4.003.05** In the event of an emergency, the Authorized Gaming Operator may temporarily amend an internal control procedure. The Executive Director must be notified that an emergency exists before temporarily amending an internal control procedure.

**4.003.06** An Authorized Gaming Operator must submit the temporary emergency amendment of the Internal Control System to the Executive Director within twenty-four (24) hours of the amendment.

**4.003.07** The submission must include the detailed emergency procedures that will be implemented and the time period the emergency procedures will be temporarily in place. Any concerns the Executive Director has with the submission must be addressed with the Authorized Gaming Operator, or both.

#### **4.004 FAILURE TO COMPLY WITH REQUIREMENTS.**

**4.004.01** If the Commission determines that the administrative or accounting procedures or Internal Control Systems of the Authorized Gaming Operator, or both do not comply with the requirements of these rules or requires improvement, the Commission will notify the Authorized Gaming Operator, or both, in writing. Within fifteen (15) days after receiving the notification, the Authorized Gaming Operator must amend its procedures accordingly and must submit, for Commission approval, a copy of the Internal Control System, as amended, and a description of any other remedial measure taken.

#### **4.005 COMPLIANCE WITH INTERNAL CONTROL SYSTEM.**

**4.005.01** Authorized Gaming Operators must comply with their system of internal control procedures. If an Authorized Gaming Operator fails to comply with any provision of its internal control procedures, the Commission may initiate a disciplinary action.

#### **4.006 INDEPENDENT AUDIT OF INTERNAL CONTROL SYSTEM.**

**4.006.01** Authorized Gaming Operators will have their Internal Control System independently audited at least once annually with the results documented in a written report. Reports will be maintained and available to the Commission.

**4.006.02** Independent audits may be conducted by the Commission, or a Commission approved third-party auditor. The Commission may, in its discretion, allow for an internal audit department within the Authorized Gaming Operator or parent company of the Authorized Gaming Operator, which is independent of the gaming operation, to serve as a third-party auditor for use in completing this audit.

**4.006.03** The Commission, or third-party auditor will be responsible for auditing the Authorized Gaming Operator's compliance with all laws and regulations, including those standards in the licensee's approved Internal Control System.

**4.006.04** Documentation, including checklist, programs, reports, corrective actions, and other items, will be prepared to evidence all independent audit work performed as it relates to the requirements of this section, including all instances of noncompliance.

**4.006.05** Independent audit reports will include objectives, procedures and scope, findings and conclusions, and recommendations.

**4.006.06** Independent audit findings will be reported to management. Management will be required to respond to the independent audit findings and the stated corrective measures to be taken to avoid recurrence of the audit exception. Such management responses will be included in the final independent audit report.

**4.006.07** Follow-up observation and examinations will be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by the independent audits, or by the Commission. The verification will be performed within six (6) months following the

date of notification.

## **CHAPTER 5: CONDUCT OF GAMING.**

### **5.001 APPROVAL OF GAMING EQUIPMENT.**

**5.001.01** The Commission will establish a procedure for the approval of gaming equipment associated with Gambling Games authorized for play at licensed Gaming Facilities. Requests for approval of authorized gaming equipment may be submitted to the Commission by Authorized Gaming Operator or Gaming-Related Vendor Licensees according to procedures established by the Commission.

**5.001.02** The Commission will adopt technical standards governing the requirements for all electrical and mechanical gaming equipment used in conjunction with the conduct or monitoring of gaming activity.

**5.001.03** Authorized Gaming Operators and Gaming -Related Vendors shall not install, maintain, use, or operate any of the following electronic gaming equipment unless such equipment has been tested against and determined to meet the technical standards in the Minimum Internal Control Standards and has been approved by the Executive Director for use in Nebraska Gaming Facilities:

**5.001.03A** Gaming devices or any component parts material to electronic gaming devices or associated equipment, including random number generators, all game media, and progressive controllers;

**5.001.03B** Mechanical or electromechanical devices used with live table games or electronic table games, including items using radio frequency identification technology, shuffling devices, and progressive controllers;

**5.001.03C** System-to-system, game-to-system, or intra-device communication software, or any equivalent thereof, used in the conduct or monitoring of gaming activity, including monitoring and control systems, cashless wagering systems, bonusing systems, and player tracking systems, except for systems used solely for marketing purposes;

**5.001.03D** Electromechanical devices used to account for gaming assets, including kiosks capable of distributing or collecting wagering instruments or conducting player account transactions and ticket validation equipment; and

**5.001.03E** Any other device, software, hardware, or other technology that the Executive Director determines may affect the integrity of gaming in this state.

**5.001.04** To be eligible for consideration by the Executive Director for approval, a Gaming-Related Vendor of any device, software, hardware, or other technology must submit the device, software, hardware or other technology for scientific testing and technical evaluation by an independent testing laboratory certified by the Commission to determine compliance with the Act and these rules, including the technical standards adopted by the Commission.

**5.001.05** A Gaming-Related Vendor seeking Commission approval of any device, software, hardware, or other technology must comply with the following:

**5.001.05A** Submit a written request to a certified independent testing laboratory that, at a minimum, specifically references the scientific testing and technical evaluation necessary under the Act, these rules and the Commission's technical standards, and which identifies the particular device, software, hardware, or other technology at issue;

**5.001.05B** Submit all necessary items and information to the certified independent testing laboratory;

**5.001.05C** Pay all costs associated with the scientific testing and technical evaluation performed by the certified independent testing laboratory;

**5.001.05D** Engage no more than one certified independent testing laboratory to perform scientific testing and technical evaluation of any particular device, version of software, hardware or other technology for certification to be used in this state without prior written authorization from the Commission; and

**5.001.05E** Submit any items or information pertaining to the device, software, hardware, or other technology to the Commission, if requested.

**5.001.06** No device, software, hardware, or other technology will be approved unless the certified independent testing laboratory concludes that the item at issue complies with the Act, these rules, and the Commission's technical standards.

**5.001.07** Authorized Gaming Operators will notify the Executive Director in writing and receive written approval in accordance with its Commission-approved Internal Control Standards before installing, moving, or disposing of gaming equipment that has been approved.

**5.001.08** Any modification to gaming equipment may be authorized by the Executive Director on an emergency basis to prevent cheating or malfunction. The emergency request will be documented by the Authorized Gaming Operator in accordance with the Commission-approved Internal Control Standards and submitted to the Commission in writing within 2 business days.

**5.001.09** Each Authorized Gaming Operator will notify the Commission's gaming agent on duty of any known or suspected defect or malfunction in any gaming equipment installed in the Gaming Facility at the time of detection. The Authorized Gaming Operator will comply with any instructions from the Commission staff for the use of the gaming equipment.

**5.001.10** Transportation of all gaming equipment must comply with the Authorized Gaming Operator's Commission-approved Internal Control Standards.

## **5.002 MODIFICATIONS TO THE GAMING FACILITY.**

**5.002.01** Any Authorized Gaming Operator contemplating a material change to the Gaming Facility, the erection of an addition to the structure of the Gaming Facility or the remodeling of any part of the Gaming Facility must first submit plans to and receive the approval of the Commission. If the Authorized Gaming Operator believes that the proposed change to the Gaming Facility will not result in any meaningful change in gaming operations or in a security risk, it may request a waiver of this requirement from the Executive Director.

## **CHAPTER 6: SECURITY AND SURVEILLANCE**

### **6.001 Responsibilities of the Surveillance Department**

**6.001.01** Each Authorized Gaming Operator must maintain and make available to the Commission the following items:

**6.001.01A** An electronic floor plan that shows the placement of all surveillance equipment in and around the Gaming Facility and all gaming equipment on the gaming floor;

**6.001.01B** A detailed description of all surveillance system components;

**6.001.01C** The procedures utilized for operation of the surveillance department;

**6.001.01D** Staffing plans;

**6.001.01E** Plans for monitoring detention rooms, which will include audio capability;

**6.001.01F** A list of personnel authorized to access the casino surveillance room;

**6.001.01G** A list of persons or positions authorized by the director of surveillance to access the surveillance viewing room.

**6.001.01H** The surveillance retention schedule, evidencing that all cameras are set for a retention period pursuant to this chapter; and

**6.001.01I** Any information related to the operation of the surveillance department as requested by the Executive Director.

**6.001.01J** The surveillance department must receive and monitor open-door alerts for all gaming devices.

**6.001.01K** Surveillance system modifications and upgrades will be submitted to the Executive Director for approval.

**6.001.01L** At any time and without notice, the Authorized Gaming Operator's surveillance system will be subject to audit or other testing by the Commission.

**6.001.01M** Surveillance employees will only perform tasks during their employment that further the purpose of the surveillance operation.

**6.001.01N** The Authorized Gaming Operator may not divert surveillance resources or surveillance employees from their intended surveillance purposes or functions without the permission of the Executive Director.



**6.001.01O** Surveillance employees are not permitted to transfer to gaming-related positions within the casino prior to one year after leaving the surveillance department, unless otherwise approved by the Commission.

**6.001.01P** All surveillance employees must be employees of the Authorized Gaming Operator.

## **6.002 Security Department.**

**6.002.01** Each Authorized Gaming Operator will employ sufficient security to remove from the Gaming Facility

**6.002.01A** a person violating a provision of the Act, these Rules and Regulations, or other guidance documents issued by the Commission or other Nebraska law;

**6.002.01B** any person deemed by the Commission to be a threat to the safety of patrons, security of the facility, or to the integrity of gaming; or

**6.002.01C** any person engaging in a fraudulent practice.

**6.002.02** Security will also be provided in and about the premises of the Licensed Racetrack Enclosure to secure restricted areas.

**6.002.03** The Authorized Gaming Operator must file a written report detailing any incident in which an employee or Patron is detected violating a provision of the Act, a Rule or Regulation, other State laws, or applicable orders and/or internal controls. The written report must be submitted to the Commission in writing within seventy-two (72) hours of the incident.

**6.002.04** In addition to the written report, the Authorized Gaming Operator will provide immediate notification to the Commission if the incident involved Casino Employee theft, criminal activity, or gaming receipts.

## **6.003 Firearm possession within a Gaming Facility.**

**6.003.01** No Person, including security personnel of a Gaming Facility, will possess or be permitted to possess any firearm within a Gaming Facility unless:

**6.003.01A** The Person is a Certified Law Enforcement officer, on duty, acting in their official capacity; or

**6.003.01B** Working for an Authorized Gaming Operator has been expressly authorized by the Commission to possess a firearm within the Gaming Facility.

**6.003.01C** Each Authorized Gaming Operator will post in a conspicuous location at each gaming floor entrance a sign that may be easily read stating, “Possession of any firearm within the Gaming Facility without the express written permission of the Commission is prohibited. This prohibition includes any holder of concealed weapons permit and off duty law enforcement officers.”

#### **6.004 Required Policies And Procedures Regarding Armed Security Personnel.**

**6.004.01** Each Authorized Gaming Operator which employs Armed Security Personnel will have internal controls and procedures regarding Armed Security Personnel.

**6.004.02** In order to determine whether an Authorized Gaming Operator has established appropriate policies and procedures with regard to Armed Security Personnel, the Commission may consider, without limitation, the following factors:

**6.004.02A** Whether the policies and procedures provide for an annual firearms training for Armed Security Personnel to be approved by the Director of Enforcement;

**6.004.02B** The extent of the background investigations conducted by the Authorized Gaming Operator prior to hiring a Person for an armed position;

**6.004.02C** The extent of the firearms training required by the Authorized Gaming Operator prior to hiring a Person for an armed position;

**6.004.02D** The extent of mandatory annual training and qualifications regarding a Person filling an armed position; and

**6.004.02E** The extent to which testing for illegal use of controlled substances by Armed Security Personnel occurs.

#### **6.005 Life Support and First Aid Training.**

**6.005.01** A designated security officer trained in basic life support and first aid, including Automatic External Defibrillators (AED’s) is required to be on a Gaming Facility at all times when patrons are present and will not be assigned duties that would prevent the security officer from responding in a reasonable and prudent time given the nature of the medical emergency.

**6.005.02** The Authorized Gaming Operator is responsible for the full cost of training the designated security officer in basic life support and first aid.

**6.005.03** Each Authorized Gaming Operator licensee shall ensure all designated security officers:

**6.005.03A** Are, at a minimum, trained according to accepted standards in basic life support and first aid by an agency recognized for providing such training; and

**6.005.03B** Receive training in basic life support and first aid biennially.

**6.005.03C** Each Authorized Gaming Operator shall maintain documentation of the training received by the designated security officers for a period of five (5) years.

## **CHAPTER 7: ACCOUNTING AND RECORDS**

### **7.001 Ownership Records.**

**7.001.01** Authorized Gaming Operators will keep on a permanent basis and provide to the Commission upon request the following records as described in this section.

**7.001.02** If a corporation:

**7.001.02A** A certified copy of the articles of incorporation and any amendments;

**7.001.02B** A certified copy of the bylaws and any amendments;

**7.001.02C** A certificate of good standing from the state of its incorporation;

**7.001.02D** A certificate of authority from the Nebraska Secretary of State authorizing it to do business in Nebraska, if such corporation is operating as a foreign corporation in Nebraska;

**7.001.02E** A list of all current and former officers and directors;

**7.001.02F** A certified copy of minutes of all meetings of the stockholders and directors;

**7.001.02G** A current list of all stockholders including the names of beneficial owners of shares held in street or other names;

**7.001.02H** The name of any business entity and a current list of all stockholders in such entity, including the names of beneficial owners of shares held in street or other names, in which such corporation has a direct, Indirect or Attributed Interest;

**7.001.02H(i)** A copy of the stock certificate ledger;

**7.001.02H(ii)** A complete record of all transfers of stock;

**7.001.02H(iii)** A schedule of amounts paid to the corporation for issuance of stock and other capital contributions and dates thereof;

**7.001.02H(iv)** A schedule of all dividends distributed by the corporation; and

**7.001.02H(v)** A schedule of all salaries, wages, and other remuneration (including perquisites), direct or indirect, paid during the calendar or fiscal year, by the corporation, to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to or greater than 5% of the outstanding capital stock of any class of stock.

**7.001.02I** If a partnership:

**7.001.02I(i)** A certified copy of the partnership agreement;

**7.001.02I(ii)** A certificate of limited partnership of its domicile;

**7.001.02I(iii)** A list of the partners, including names, addresses, the percentage of interest in net assets, profits and losses held by each, the amount and date of each capital contribution of each partner, and the date the interest was acquired;

**7.001.02I(iv)** A schedule of all withdrawals of partnership funds or assets; and

**7.001.02I(v)** A schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each partner during the calendar or fiscal year.

**7.001.02J** If a sole proprietorship:

**7.001.02J(i)** A schedule showing the name and address of the proprietor and the amount and date of his original investment;

**7.001.02J(ii)** A schedule of dates and amounts of subsequent additions to the original investment and any withdrawals; and

**7.001.02J(iii)** A schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

## **7.002 Accounting Records.**

**7.002.01** The holder of an Authorized Gaming Operator's license will keep, in accordance with the retention schedule, and provide to the Commission upon request the following records:

**7.002.01A** The accounting records will be maintained using a double entry system of accounting with transactions recorded on the accrual basis and supported by detailed and subsidiary records.

**7.002.01B** The Executive Director will prescribe a uniform chart of accounts including account classifications to insure consistency, comparability, and appropriate disclosure of

financial information. The prescribed chart of accounts will be the minimum level of detail to be maintained for each accounting classification by the holder of an Authorized Gaming Operator's license.

**7.002.01C** The detailed subsidiary records will include as a minimum the following:

**7.002.01C(i)** Detailed general ledger accounts identifying all revenue sources, expenses, assets, liabilities and equity for the holder of an Authorized Gaming Operator's license;

**7.002.01C(ii)** Records of all investments, advances, loans and receivable balances, other than patron checks, due the establishment;

**7.002.01C(iii)** Record of all loans and other amounts payable by the holder of an Authorized Gaming Operator's license;

**7.002.01C(iv)** Record of all patron checks initially accepted by the holder of an Authorized Gaming Operator's license, deposited by the owner, returned to the owner as "uncollected" and ultimately written-off as uncollectible by the holder of an Authorized Gaming Operator's license;

**7.002.01C(v)** entries prepared by the holder of an Authorized Gaming Operator's license and the independent accountant selected by the Executive Director;

**7.002.01C(vi)** Tax workpapers used in preparation of any state or federal tax return;

**7.002.01C(vii)** Records that identify Table Drop, Table Win and percentage of Table Win to Table Drop for each live table Game and those records accumulated for each type of live table Game, either by shift or other accounting period approved by the Executive Director;

**7.002.01C(viii)** Records that identify the actual Coin-in, Coin-out, Vouchers issued, Vouchers redeemed, Electronic Gaming Device Drop, Electronic Gaming Device Win, Electronic Gaming Device Win to Electronic Gaming Device Drop and Theoretical Payout Percentage for each Electronic Gaming Device on a per day basis or other accounting period approved by the Executive Director;

**7.002.01C(ix)** Records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to patrons in the normal course of an owner's business will be recorded at an amount based upon the full retail price normally charged for such service or item;

**7.002.01C(x)** Records that identify the purchase, receipt, and destruction of Gaming Chips from all sources;

**7.002.01C(xi)** Records required to fully comply with all the federal financial record-keeping requirements as enumerated in 31 CFR 103;

**7.002.01C(xii)** Records required by the holder of an Authorized Gaming Operator's license's Commission-approved Internal Control System;

**7.002.01C(xiii)** Workpapers supporting the daily reconciliation of cash accountability;

**7.002.01C(xiv)** Records concerning the acquisition or construction of a proposed or existing Gaming Facility; and

**7.002.01D** If a holder of an Authorized Gaming Operator's license fails to maintain the records used by it to calculate the gross receipts or the number of persons admitted on the Gaming Facility, the Executive Director may compute and determine the amount upon the basis of an audit conducted by the Commission based upon available information.

### **7.003 Standard Financial and Statistical Records.**

**7.003.01** Authorized Gaming Operators will file monthly, quarterly and annual reports of financial and statistical data.

**7.003.02** The Executive Director will periodically prescribe a set of standard reporting forms and instructions to be used in filing monthly, quarterly and annual reports.

**7.003.03** Annual reports will be based on a calendar year beginning January 1 and ending December 31, unless otherwise approved by the Commission. Quarterly reports will be based on the calendar quarters ending March 31, June 30, September 30 and December 31. Monthly reports will be based on calendar months. Quarterly and monthly reports will contain a cumulative year-to-date column so as to facilitate analysis.

**7.003.04** The Authorized Gaming Operator's Chief Executive Officer, or the Chief Executive Officer's designee who is approved by the Commission, will be responsible for all reports required to be filed pursuant to this Section.

**7.003.05** Reports required to be filed pursuant to this Section will be addressed as prescribed by the Commission and received no later than the required filing date. The required filing date for monthly reports will be the last calendar day of the following month. All other reports required by this Section are due as prescribed by the Commission.

**7.003.06** In the event of a termination or suspension of the Authorized Gaming Operator, voluntary or involuntary change in business entity or material change in ownership, the holder of an Authorized Gaming Operator License will file an interim quarterly report as of the date of occurrence of such event, unless such event has already been disclosed in a regular quarterly report or unless exempted by the Commission. The filing date will be 30 calendar days after the date of occurrence of the event.

**7.003.07** Any adjustments resulting from the quarterly and annual audits will be recorded in the accounting records. If the adjustments were not reflected in the holder of an Authorized Gaming Operator License's quarterly or annual reports and the Commission concludes the adjustments are significant, a revised report may be required from the holder of an Authorized Gaming Operator License. The revised filing will be due within 30 calendar days after written notification to the holder of an Authorized Gaming Operator License.

**7.003.08** Unless otherwise established by law, delays in mailing, mail pickups, and postmarking are the responsibility of the holder of an Authorized Gaming Operator License.

#### **7.004 Auditing and Reporting Requirements.**

##### **7.004.01 Annual and Special Audits and other reports**

**7.004.01A** The Commission will direct an audit to be performed of the annual financial statements of the holder of an Authorized Gaming Operator License including a report on the Internal Control System communicating any reportable conditions and material weaknesses noted during the audit. Upon written notice by the Executive Director other procedures or reports may be required. The annual audit will be performed by an independent certified public accountant who is or whose firm is licensed in the State of Nebraska. The independent certified public accountant who performs the annual audit shall be approved by the Commission, and the selection may be based on the recommendation of the holder of an Authorized Gaming Operator License.

**7.004.01B** The annual audit and internal control report procedures shall be performed in accordance with generally accepted auditing standards. The annual audit report is to be presented in accordance with generally accepted accounting principles and contain the opinion of the independent certified public accountant as to its fair presentation in accordance with such generally accepted accounting principles.

**7.004.01C** To assure the integrity of Gaming, compliance with the Act and the rules of the Commission, the Executive Director may require at any time a special audit of an owner licensee to be conducted by Commission personnel or by contracting with other qualified professionals with expertise in the subject matter of the audit. The Executive Director will establish the scope, procedures and reporting requirements of any special audit.



**7.004.01D** Quarterly compliance reports by independent certified public accountants or qualified Authorized Gaming Facility personnel that have been approved by the Executive Director. The Executive Director will require quarterly compliance reports to be prepared and procedures performed by independent certified public accountants or Commission personnel covering the following:

**7.004.01E** Quarterly agreed-upon procedures to ascertain that Admissions and Gross receipts are determined in conformity with the Act and this Part;

**7.004.01E(i)** Semi-annual agreed-upon procedures relating to internal control;

**7.004.01E(ii)** Semi-annual "unannounced" observation of the transportation and count of each of the following: Electronic Gaming Device Drop, Table Drop, and tip box drop. For purposes of these procedures, "unannounced" means that no officers, directors or employees of the holder of the Authorized Gaming Operator License are given advance information regarding the dates or times of such observations;

**7.004.01E(iii)** Review of purchasing functions and contractual agreements, both oral and written, on a sample basis, to report on compliance with the owner licensee's Commission-approved Internal Control System and to determine that such purchases and contractual agreements are not in excess of their fair market value. This review will be conducted at least annually at the direction of the Executive Director; and

**7.004.01E(iv)** Quarterly reports on deviations from the owner licensee's approved Internal Control System based on procedures performed in the reports of Gross receipts, procedures relating to internal control, purchasing and contracting functions and/or "unannounced" observations.

**7.004.01F** Independent certified public accountants performing annual audits will not perform compliance services on behalf of the Commission for the same Authorized Gaming Operator.

**7.004.01G** Independent certified public accountants who perform compliance services to an Authorized Gaming Operator on behalf of the Executive Director will not perform an annual audit or any other service for such Authorized Gaming Operator during the terms of their engagement and for a period of two years following termination of the engagement.

**7.004.01H** The holder of an Authorized Gaming Operator License will prepare a written response relating to findings noted in the independent certified public accountant's or

Commission's reports. The response will indicate in detail the corrective actions taken. Such response will be incorporated in the independent certified public accountant's or Commission's reports.

**7.004.01I** The Executive Director will determine the number of copies of reports required under this Section and such reports will be received by the Commission or postmarked no later than the required filing date.

**7.004.01I(i)** Quarterly reports for procedures performed in the first three fiscal quarters of an Authorized Gaming Operator licensee's approved fiscal year will be due not later than two months after the last day of the quarter.

**7.004.01I(ii)** Quarterly reports for the procedures performed in the fourth fiscal quarter of the Authorized Gaming Operator licensee's approved fiscal year and the annual reports will be due not later than three months after the last day of the calendar or fiscal year.

**7.004.01I(iii)** Unless otherwise established by law, delays in mailing, mail pickups and postmarking are the responsibility of the Authorized Gaming Operator licensee.

**7.004.01J** Authorized Gaming Operators who are public reporting companies under the Securities Act of 1933 or the Securities Exchange Act of 1934 will submit four copies of all reports required by the Securities and Exchange Commission to the Commission. These reports will be due on the same filing dates as required by the Securities and Exchange Commission.

**7.004.01K** All of the audits and reports required by this Section that are performed by independent certified public accountants will be prepared at the sole expense of the Authorized Gaming Operator licensee.

**7.004.01L** The reporting year end of the holder of an Authorized Gaming Operator License will be December 31 unless otherwise approved by the Commission.

## **7.005 Accounting Controls Within the Cashier's Cage**

**7.005.01** The assets for which the cashiers are responsible will be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift will record on a cashier's count sheet the face value of each cashier's cage inventory item counted and the total of the opening and closing cashier's cage inventories and will reconcile the total closing inventory to the total opening inventory. The cashiers will sign the completed cashier's count sheet attesting to the accuracy of the information contained on the cashier's count sheet.

**7.005.02** At the conclusion of each day, at a minimum, a copy of the cashier's count sheet and related documentation will be forwarded to the accounting department for agreement of opening and closing inventories, agreement of amounts thereon to other forms records, and documents required by this Section, and recording of transactions.

**7.005.03** All accounting controls within the cashier's cage will conform with the Authorized Gaming Operator's Commission- approved Internal Control System.

### **7.006 Check Cashing Procedures and Restrictions on Credit**

**7.006.01** No holder of an Authorized Gaming Operator License will make any loan, or otherwise provide or allow to any person any credit or advance of anything of value or which represents value to enable any person to take part in Gaming activity. The failure to deposit for collection a negotiable instrument by the next banking day following receipt will be considered an extension of credit.

**7.006.02** Each Authorized Gaming Operator will establish policies and procedures for the authorization and issuance of check cashing privileges in its Commission-approved Internal Control System. These procedures will include the approval process for establishing check cashing privileges and setting check cashing limits.

**7.006.03** Only the following checks may be cashed at a cashier's cage:

- 7.006.03A** Personal checks;
- 7.006.03B** Cashier's checks;
- 7.006.03C** Money orders;
- 7.006.03D** Traveler's checks; and
- 7.006.03E** Wire transfer service checks.

**7.006.04** An Authorized Gaming Operator may not issue nor cause to be issued a Voucher as a means of extending credit.

### **7.007 Handling of Cash at Gaming Tables**

**7.007.01** Whenever cash is presented by a patron at a gaming table for exchange of gaming chips, the following procedures and requirements will be observed:

**7.007.01A** The cash will be spread on the top of the gaming table by the dealer or box person accepting it in full view of the patron who presented it;

**7.007.01B** The cash value amount, if over five hundred dollars (\$500), will be verbalized by the dealer or box person accepting it in a tone of voice calculated to be heard by the patron and the floor supervisor assigned to that gaming table; and

**7.007.01C** Immediately after that, the cash will be taken from the top of the gaming table and placed by the dealer or box person into the drop box attached to the gaming table.

**7.007.02** No cash wagers will be allowed to be placed at any gaming table. The cash will be converted to chips prior to acceptance of a wager.

## **7.008 Tips and Gratuities**

**7.008.01** Each Authorized Gaming Operator's Commission-approved Internal Control System will detail the procedures for handling tips and gratuities for gaming related employees.

**7.008.02** No licensed employee who is acting in a supervisory capacity will solicit or accept, and no licensed gaming employee will solicit, any tip or gratuity from any player or patron of the Gaming Facility where they are employed. The Authorized Gaming Operator will not permit any practices prohibited by this rule.

**7.008.03** All tips and gratuities allowed to be given to dealers will be deposited in a transparent locked box reserved for such purpose.

## **7.009 Tax Reporting and Payment**

**7.009.01** Each Authorized Gaming Operator is subject to tax and fee liability assessment for each Gaming Day for the applicable gaming tax as imposed under the Act.

**7.009.02** Gaming Taxes will be paid via an electronic funds transfer system employing an Automated Clearinghouse Debit method (ACH-Debit). Each Authorized Gaming Operator licensee and manager will maintain an account with sufficient funds to pay, in a timely fashion, all tax and fee liabilities due under the Act. The account will be maintained at a financial institution capable of making payments to the State under the electronic funds transfer requirements imposed by the State.

**7.009.03** Gaming Tax liability will be established on the basis of a Gaming Day. Each Authorized Gaming Operator licensee will select, with the approval of the Executive Director, a 24-hour cycle to be defined as the uniform Gaming Day for that Authorized Gaming Operator licensee. A Gaming Day may begin on one calendar day and end the next calendar day, provided that the Gaming Day does not extend beyond the uniform 24-hour period selected in advance by the Authorized Gaming Operator licensee.

**7.009.04** The Executive Director will prescribe and make available to each Authorized Gaming Operator licensee and manager forms, instructions and reporting requirements for gaming Taxes.

**7.009.05** All moneys collected for and owed to the Commission or state of Nebraska under the Gaming Tax imposed by the Act will be accounted for and itemized on a weekly basis in a format approved by the Commission. Each day on the report will be an accurate representation of the day's gaming transactions and play. A week will begin on Monday and end on Sunday.

**7.009.06** The reporting form must be received in the Commission office by noon on Wednesday following the week's end. The moneys owed, according to the reporting form, must be received in the treasurer's office by 11 a.m. on the Thursday following the week's end.

**7.009.07** Tax and Fee Schedules will include all information necessary for adjustments and reconciliation of tax and fee liability and will be subject to audit by the Commission and its audit agents. Adjustments to previously reported tax and fee information will be made by the Authorized Gaming Operator, except that no adjustment of \$25,000 or more will be made to previously reported Gross receipts without the prior written approval of the Executive Director or the Executive Director's designee, which will be reported to the Commission in writing.

**7.009.08** In the event that a Tax and Fee Schedule for a specific Gaming Day properly reflects a net wagering loss experienced by the Authorized Gaming Operator, an adjustment for the amount of any remaining net wagering loss (negative Gross receipts) will be carried forward on the subsequent Tax and Fee Schedules until such loss is offset by Gaming win (positive Gross receipts).

**7.009.09** All Gaming Taxes paid pursuant to the requirements of the Act will be collected by the Commission and remitted to the State Treasurer or county treasurer as required by Nebraska law.

**7.009.10** An Authorized Gaming Operator's failure to comply with the provisions of this Section may subject the owner licensee or manager to penalty and interest amounts pursuant to Section 9-1206. The Authorized Gaming Operator will be notified by the Commission in writing of any penalty or interest payable because of a late tax schedule filing or late tax payment. The Authorized Gaming Operator may, within 10 business days after receiving the notice, file a written request for a waiver with the Commission. The Commission will act on the request for waiver and notify the Authorized Gaming Operator in writing of the decision within 15 calendar days after receiving the request. If the Commission fails to act within the 15-day period the waiver is deemed granted. If the Commission denies the request for waiver the Authorized Gaming Operator may ask the Commission for a hearing. The request for hearing must be in writing and filed not later than 15 calendar days after receipt of the notice of denial. A hearing under this Section is not a disciplinary hearing.

#### **7.010 Cash Reserve Requirements.**

**7.010.01** Each Authorized Gaming Operator will maintain, in cash or cash equivalents, a cash reserve in an amount sufficient to protect patrons against defaults in payment of winnings owed by the holder of an Authorized Gaming Operator License. Cash equivalents are defined as all highly liquid investments with an original maturity of 3 months or less. The cash reserve

quirements and any changes thereto will be submitted in writing to the Commission.

## **CHAPTER 8: INVOLUNTARY EXCLUSIONS**

### **8.001 Establishment of involuntary exclusion list**

**8.001.01** The "involuntary exclusion list" will consist of the names and information of those individuals who meet the criteria under the act and this chapter and have been placed on the list by the Commission.

**8.001.02** An individual on the involuntary exclusion list is prohibited from entering any gaming facility in this state.

**8.001.03** This chapter does not preclude a casino operator from ejecting any individual from its gaming facility for any lawful reason. The casino operator may seek to have the Commission place an individual the casino operator has ejected on the involuntary exclusion list.

### **8.002 Contents and publication of the involuntary exclusion**

**8.002.01** The Commission will maintain the involuntary exclusion list. The Commission will notify each Authorized Gaming Operator of the initial list. The Commission will then periodically update Authorized Gaming Operators of updates to the list in a manner prescribed by the Commission.

**8.002.02** The involuntary exclusion list will contain the name, physical description and, if available, the following information for each excluded individual:

**8.002.02A** All known aliases;

**8.002.02B** A photograph;

**8.002.02C** The date the individuals name was placed on the list; and

**8.002.02D** Any other relevant information as deemed necessary by the Commission.

**8.002.03** The involuntary exclusion list will be published on the Commission's website.

### **8.003 Criteria for Placement on the Involuntary Exclusion List**

**8.003.01** The Commission will consider the following criteria to determine if an individual is a threat to the interests of the state, to achieving the intents and purposes of the Act or to the strict and effective regulation of gaming in Nebraska and should be placed on the involuntary exclusion list:

**8.003.01A** Whether the individual is included on another jurisdiction's exclusion list;

**8.003.01B** Been convicted of a felony in any jurisdiction of any crime of moral turpitude or of a crime involving gaming;

**8.003.01C** Violated either the Act or these rules;

**8.003.01D** Performed any act or had a notorious or unsavory reputation which would adversely affect public confidence and trust in gaming; or

**8.003.01D** Whether the individual is subject to an order of the courts of this state excluding the individual from any gaming facility.

**8.003.01E** Any criteria deemed appropriate by the Commission.

#### **8.004 Notice of Placement on the Involuntary Exclusion List**

**8.004.01** Upon a determination that a person comes under any one (1) of the criteria listed in Section 3 of this rule, this person will be deemed a candidate for exclusion, and the Commission will file a Notice of Exclusion. This notice will include the identity of the candidate, the nature and scope of the circumstances or reasons that the person should be placed on the exclusion list, names of potential witnesses and a recommendation as to whether the exclusion or ejection will be permanent. The notice will also inform the person of the availability of a hearing by the Commission. A request for a hearing must be made within thirty (30) days from the date the Notice of Exclusion was filed.

**8.004.02** When a person is excluded or ejected, that person is prohibited from further contact of any kind with any Gaming Facility in Nebraska unless and until a determination is made by the Commission on the merits of a requested hearing. If a determination by the Commission is examined under judicial review, then the exclusion will continue until the judicial review is completed.

**8.004.03** If the Commission or a subsequent judicial review finds in favor of the candidate or excluded person, then their name will be removed from the exclusion list and their exclusion will be terminated as of the date of the action by the Commission or the court.

#### **8.005 Authorized Gaming Operator Requirements for Involuntary Exclusions**

**8.005.01** Each Authorized Gaming Operator will submit to the Commission for its approval detailed internal control plans for compliance with this rule.

**8.005.02** Each Authorized Gaming Operator will exclude any individual on the involuntary exclusion list from the Gaming Facility.



**8.005.03** Each Authorized Gaming Operator will notify the Commission's gaming agents, in writing and within 48 hours, if an excluded individual has entered or attempted to enter the Gaming Facility.

**8.005.04** Each Authorized Gaming Operator will train all relevant employees to understand the exclusion list and its function.

**8.005.05** Each Authorized Gaming Operator will distribute the most up-to-date copy of the involuntary exclusion list to all relevant employees.

**8.005.06** After the Commission approves the authorized gaming operator's plan, it may not make any changes to the plan without notifying the Commission and obtaining written approval of the proposed change(s).

## **9.001 COMMISSION PROCEDURES FOR COLLECTING GAMING TAX**

**9.001.01** The Commission will establish procedures, using generally accepted accounting principles (“GAAP”) and using the American Institute of CPA’s (AICPA) audit and accounting guide for companies within the gaming industry as guidance. The Commission’s procedures will include the following provisions:

### **9.001.02** Reporting requirements

#### **9.001.02A** Quarterly Reports

**9.001.02A(i)** Authorized Gaming Operators will submit quarterly reports containing the gross gaming revenue from a Gaming Facility and other information as required by the Commission.

**9.001.02A(ii)** The Commission will develop a form for use by Authorized Gaming Operators to submit the quarterly report.

#### **9.001.02B** Annual Report; Taxable Year

**9.001.02B(i)** Authorized Gaming Operators will submit an annual report containing the gross gaming revenue from a Gaming Facility and other information as required by the Commission.

**9.001.02B(ii)** The Commission will develop a form for use by Authorized Gaming Operators to submit the annual report.

**9.001.02C** The taxable year will be calculated between July 1 of the previous year to June 30 of the year the tax is being reported.

**9.001.02D** Three (3) months following the end of tax year, all annual reports, to include, but not be limited to, an annual independent audit of financial statements, will be due to the Commission Office.

**9.001.02E** Based on extraordinary circumstances the Commission may provide extensions for submission of the annual report.

**9.001.03** Collection of Tax from Authorized Gaming Operator

**9.001.03A** The State Treasurer, in conjunction with the Commission, will establish a procedure for the transfer of the tax funds collected by the Commission pursuant to the Act. Such procedures will establish how often payments are submitted to the Commission by Authorized Gaming Operators.

## **CHAPTER 10: TRANSPORTATION, RECEIPT, INSTALLATION AND DISPOSAL OF GAMING DEVICES**

### **10.001 Restriction on Sales, Display, Distribution, Transportation and Operation of Gaming Devices**

**10.001.01** Except as otherwise provided in these rules, no Person may sell, display, supply, ship, transport, or distribute any Authorized Gaming Device or Component thereof for use or play by an Authorized Gaming Operator in Nebraska. Further, no Gaming Device of an Authorized Gaming Operator may be sold, shipped, transported or distributed out-of-State other than by the Authorized Gaming Operator itself, unless the Person shipping, transporting or distributing the Gaming Device is licensed by the Commission as a Gaming-Related Vendor.

**10.001.02** No Authorized Gaming Operator may sell or transfer a Gaming Device to any Person that could not lawfully own or operate the Gaming Device.

**10.001.03** No purchaser or transferee may operate a Gaming Device at an Authorized Gaming Facility without first obtaining an Authorized Gaming Operator License in the manner set forth in Chapter 3 of these Rules and Regulations.

**10.001.04** The Commission may, in its discretion, allow the sale, display, distribution, transportation, and operation of Gaming Devices by Persons who have submitted an application pursuant to these Regulation.

### **10.002 Transportation of Gaming Devices into the State.**

**10.002.01** All Gaming Equipment must be securely shipped, and evidence in support of chain of custody is to be provided. Gaming devices that have been certified by the Commission's testing lab and approved for use in Nebraska may be shipped and delivered fully assembled. The cargo area of a transportation carrier or the shipping container for the gaming equipment, whichever is applicable, must be sealed with a unique identification number seal and identified in the shipping notification filed with the Commission at least five (5) business days prior to shipment. The shipping notification will include the following information and documentation:

**10.002.01A** Company name, trade name, and business address of entity supplying or removing the Gaming Equipment.

**10.002.01B** Contact name, telephone number, and e-mail address for the operators representative submitting the shipping notification.

**10.002.01C** The Manufacturer's company name and a contact person name, phone number and email.

**10.002.01D** Serial number, model number, theme, software set description, Laboratory certification numbers, or other documented identification information

that corresponds with the Gaming Equipment being shipped, and corresponding number of each type of Gaming Equipment or approved software components to be shipped. Alternative methods of identifying Gaming Equipment may be approved in writing by the Executive Director if the aforementioned identifiers are not applicable to the Gaming Equipment being shipped.

**10.002.01E** Reason for shipment.

**10.002.01F** Date of shipment.

**10.002.01G** Company name, trade name, and address of ultimate owner, and location where the Gaming Equipment is to be delivered.

**10.002.01H** Contact name, telephone number, and e-mail address for the company representative responsible for the receipt of the Gaming Equipment.

**10.002.01I** Expected date and time of delivery.

**10.002.01J** Method of shipment and name, business address, and telephone number of transportation carrier.

**10.002.01K** An inventory of the Gaming Equipment or approved software components to be shipped.

**10.002.01L** location of departure for the Gaming Equipment shipment and the point of delivery in Nebraska.

**10.002.01M** Unique transportation carrier cargo area seal number or product serial number in cases of shipments destined for multiple locations.

**10.002.03** Each item of Gaming Equipment transported into Nebraska will be subject to inspection by an agent of the Commission at a location to be determined by the Commission.

### **10.003 Shipping Requirements.**

**10.003.01** Applicants or holders of an Authorized Gaming Operator license must confirm before a shipment of Gaming Equipment takes place that the manufacturers and suppliers providing the gaming equipment are each approved by the Commission as a Gaming-Related Vendor.

**10.003.02** In addition to the above requirements, Authorized Gaming Operators must also adhere to the following requirements:

**10.003.02A** Ensure the safe and secure transport of all Gaming Equipment destined for Nebraska.

**10.003.02B** Ensure all Gaming Equipment bear an identifying plate listing the serial number and model number and gaming manufacturer name or other unique identifier approved in writing by the Director.

**10.003.02C** Ensure all Gaming Equipment is shipped directly to an approved location for an applicant for a Authorized Gaming Operator license or location for a Authorized Gaming Operator or another location expressly authorized by the Director. If the gaming manufacturer has a warehouse in Nebraska, it must be approved by the Commission and the Gaming Equipment may be shipped to the warehouse for any preparation/configuration work required prior to shipping it to the authorized location.

**10.003.02D** Ensure the Gaming Equipment is placed in such a manner as to offer easy access to the Commission staff to verify the serial number and model number on the ID plate, or other unique identifier approved in writing by the Director.

**10.003.03** Any licensee that removes Gaming Equipment from an authorized location to be transported outside of Nebraska, or to another authorized location within Nebraska is responsible for ensuring the secure transportation of the Gaming Equipment leaving the possession of the applicant for a Authorized Gaming Operator license or the Authorized Gaming Operator that the Commission has approved the operator for the transportation of that equipment, and the compliance with all relevant requirements in this procedure.

#### **10.004 Receipt of Gaming Devices in the State**

**10.004.01** Any Person in the State that receives a Gaming Device to be used in a Gaming Facility must, upon receipt of the Gaming Device, provide the Commission with the following information on forms provided or approved by the Commission:

**10.004.01A** the full name, address, and license number of the Person receiving the Gaming Device;

**10.004.01B** the full name, address, and Authorized Gaming Operator License number of the Person from whom the Gaming Device was received;

**10.004.01C** the date of receipt of the Gaming Device;

**10.004.01D** the serial number of each Gaming Device;

**10.004.01E** the model number and description of each Gaming Device;

**10.004.01F** the Manufacturer of the Gaming Device;

**10.004.01G** the location where the Gaming Device will be placed and the license number of the Gaming Facility;

**10.004.01H** the expected date and time of installation of the Gaming Device at the new location; and

**10.004.01I** such other information as required by the Commission.

**10.004.02** If such Gaming Device will not be placed in operation within five (5) days of its receipt within the State, the Gaming Device may be housed in a secure area, onsite or an offsite warehouse location under the Control of the Authorized Gaming Operator. The Person who received the

Gaming Device must notify the Commission of the address where the Gaming Device is warehoused. The warehouse location must be approved in advance by the Commission. At the time such Gaming Device is removed from the approved warehouse location and transported to another location within the State, the Authorized Gaming Operator must comply with the requirements of these Rules and Regulations. The Commission will create criteria and procedure for the location of an off-site warehouse.

### **10.005 On-site testing, Installation and Placement of Gaming Devices**

**10.005.01** All Gaming Devices at a Gaming Facility must be physically located in an area that is at all times monitored by the Authorized Gaming Operator to prevent access or play of the Gaming Devices by Persons under the age of twenty-one (21).

**10.005.02** The initial installation and placement of each Gaming Device within a Gaming Facility must take place in the presence of personnel identified in the Authorized Gaming Operator's Commission-approved internal controls, who will, at the time of installation, verify each Gaming Device to ensure that it is identical to a prototype in all mechanical, electrical, and other respects, to one that has been tested and certified by the Independent Testing Laboratory on behalf of the Commission. The Commission may require that a Commission Agent be present for such verification procedures.

**10.005.03** If the on-site verification procedure indicates that a Gaming Device does not conform to the certified prototype, the Authorized Gaming Operator must remove the Gaming Device from the floor and refrain from operating the Gaming Device until a Gaming Agent demonstrates that the Gaming Device is authorized for operation pursuant to the requirements of this Chapter.

**10.005.04** If the on-site verification procedure demonstrates that the Gaming Device is identical to a prototype certification issued by an Independent Testing Laboratory, a Gaming Agent will seal the Program Storage Device with a Commission numbered seal.

**10.005.05** The Commission-approved verification procedure in the Authorized Gaming Operator's Internal Controls will also include a test to ensure that the Gaming Device is operating properly and is properly communicating with the Authorized Gaming Operator's CMS. Only Gaming Devices that are found to be identical to prototypes certified by an Independent Testing Laboratory and that pass both the operation and communication tests conducted by the Gaming Agent may be installed and placed into operation.

**10.005.06** Once the Program Storage Device has been sealed by a Gaming Agent, the seal may only be broken or removed in the presence of a Gaming Agent.

**10.005.07** The Commission numbered seal may be broken or removed for the purposes of repair or Commission-authorized change to the Program Storage Device in the presence of a Gaming Agent, who, after the change or repair, will verify the new software, and, if applicable, retest Gaming Device, and reseal it if the tests show the machine and game are in compliance with this Chapter. If, after retesting, the machine and game are found not to be in compliance, the Gaming

Device cannot be placed into operation until the Gaming Agent determines that the Gaming Device complies with the applicable requirements.

**10.005.08** Any relocation of a Gaming Device within the Gaming Facility requires prior written approval by the Gaming Agent.

**10.005.09** Licensed Manufacturers, Distributors, or Manufactures/Distributors may store, repair, and display Gaming Devices only at locations approved in advance by the Commission.

### **10.006 Disposal of Gaming Devices.**

**10.006.01** A Gaming Device used or located at a Gaming Facility may be disposed of only with the Commission's written approval and only if the manner of disposal makes the Gaming Device incapable of use or operation. Any Person seeking to dispose of such Gaming Device must notify the Commission in writing prior to disposal and provide the following information:

**10.006.01A** the full name, address, and license number of the Person seeking to dispose of the Gaming Device;

**10.006.01B** the serial number of the Gaming Device;

**10.006.01C** the model number and description of the Gaming Device;

**10.006.01D** the Manufacturer of the Gaming Device;

**10.006.01E** the Commission Issued Number;

**10.006.01F** the Gaming Device's meter readings;

**10.006.01G** the location of the Gaming Device;

**10.006.01H** the proposed manner, time, and place of disposal; and

**10.006.01I** any other information required by the Commission.

**10.006.02** Unless the Commission notifies the Person seeking to dispose of the Gaming Device within thirty (30) days of receipt of the notice required by this section, the method of disposal will be deemed approved.

**10.006.03** If the disposing of a Gaming Device is not conducted in the presence of an Gaming Agent, the Person seeking to dispose of a Gaming Device must submit to the Commission, within 10 days of disposal, a sworn affidavit verifying the date, time, place, and manner of disposal and the names of all Persons witnessing the disposal.

## CHAPTER 11: PATRON DISPUTES

### 11.001 Patron Disputes.

**11.001.01 An Authorized Gaming Operator must immediately notify the Gaming Agent if the Authorized Gaming Operator refuses to pay alleged winnings to a Patron and the Authorized Gaming Operator and the Patron are unable to resolve the dispute to the Patron's satisfaction within two (2) hours. This notice, which must be in writing, will include the following information:**

**11.001.01A** The name, address, and phone number of the Patron.

**11.001.01B** A summary of the nature of the patron complaint, including the date and time on which the incident leading to the dispute occurred.

**11.001.01C** The amount of money involved in the dispute.

**11.001.01D** A list of the names, if known, of the occupational licensees that were involved in or a witness to the incident that led to the patron dispute.

**11.001.01E** The name, address, and telephone number, if known, of the witnesses to the incident that led to the patron dispute.

**11.001.01F** A summary of the Authorized Gaming Operator's attempt to resolve the patron dispute.

**11.001.01G** Any other information deemed necessary by the executive director or the Commission.

**11.001.02** The patron shall submit the complaint within five (5) business days of the incident that led to the patron dispute.

**11.001.02A** The Authorized Gaming Operator licensee shall respond to the Commission regarding a patron complaint within the time period prescribed by the Commission.



## **CHAPTER 12: RESPONSIBLE GAMING PROGRAMS AND HUMAN TRAFFICKING REQUIREMENTS.**

### **12.001 Compulsive gambling assistance plan.**

**12.001.01** An applicant for an Authorized Gaming Operator License must submit with the application a plan to address compulsive gambling in accordance with the requirements of these regulations for assisting in the prevention and education of compulsive gambling.

**12.001.02** No Authorized Gaming Operator application will be approved unless the Commission first approves the applicant's compulsive gambling assistance plan.

**12.001.02A** Failure to implement the compulsive gambling assistance plan or to satisfactorily maintain and administer a plan once implemented will be grounds for suspension or revocation of the Authorized Gaming Operator License, assessment of a fine, or both. The plan must meet or exceed the minimum standards set forth in these Rules and Regulations. The development of such a plan by the applicant and the approval of a plan by the Commission are conditions of issuance of the original Authorized Gaming Operator License. The maintenance of a plan, as approved by the Commission, is a condition of annual renewal of the license.

### **12.001.03 Minimum standards for Compulsive Gambling Assistance Plan.**

**12.001.03A** The compulsive gambling assistance plan must include all of the following elements:

**12.001.03A(i)** Identification of a plan manager or other Person responsible for ensuring that a plan is implemented and administered by the Authorized Gaming Operator and monitored to maintain the minimum standards established by these Rules;

**12.001.03A(ii)** A mission Statement that identifies the goals of the Authorized Gaming Operator in administering a plan;

**12.001.03A(iii)** Policies concerning the handling of compulsive gambling problems, commitment to training, intervention, the employee's role and duties, management's role and duties, and the Patron's responsibilities;

**12.001.03A(iv)** Procedures to determine appropriate intervention techniques in a given circumstance, and carrying out the intervention techniques;

**12.001.03A(v)** Printed materials to educate Patrons about compulsive gambling and inform them of local and Statewide resources available to compulsive gamblers and their families. The materials may include signs and posters located inside the licensed premises and brochures discussing compulsive gambling issues and sources of treatment and information. A plan must also specify a source of the printed materials and proposed distribution methods;

**12.001.03A(vi)** A comprehensive Gaming Employee training program satisfactory to the Commission, including training manuals and other materials necessary to educate Casino Employees about compulsive gambling issues. The training plan must include instruction in the psychology of the compulsive gambling, methods of recognizing compulsive gambling behavior, intervention techniques and other subjects as determined by the Commission;

**12.001.03A(vii)** Completion and submission of a form certifying to the Commission's satisfaction that each employee required to obtain the training has done so within the time period specified by these Rules and Regulations;

**12.001.03A(viii)** Details of a follow-up training program to periodically reinforce employee training;

**12.001.03A(ix)** Estimated costs for implementation and administration;

**12.001.03A(x)** Timetable and procedures for implementing the compulsive gambling assistance plan. A plan must be implemented no later than thirty (30) days from the date gaming commences on the licensed premises;

**12.001.03A(xi)** Preventing gaming by Minors; and

**12.001.03A(xii)** Any other policies and procedures designed to encourage responsible gaming that the applicant or Authorized Gaming Operator wishes to include.

## **12.002 Employee training regarding Compulsive Gambling Assistance Plan**

**12.002.01** The compulsive gambling assistance plan must be designed with employee training and education as fundamental aspects of a plan. The purpose of the training is to develop awareness of compulsive gambling and to provide resources to assist the employee in handling compulsive gambling issues.

**12.002.02** The employee training program must include training and materials on the

following topics:

**12.002.02A** characteristics and symptoms of compulsive gambling behavior;

**12.002.02B** prevalence of compulsive gambling in the general population;

**12.002.02C** Comparison of compulsive gambling to other addictions;

**12.002.02D** social costs of compulsive gambling, such as indebtedness, costs for treatment, suicide, criminal behavior, lost jobs, and counseling for family problems;

**12.002.02E** identification of vulnerable populations, persons with co-occurring addictions, such as additions to drugs and alcohol;

**12.002.02F** recommended intervention techniques to be employed where a compulsive gambling problem is identified or suspected; and

**12.002.02G** assistance and referral programs, including specific resources and training on how to discuss compulsive gambling with a Patron and give advice concerning access to available services.

**12.002.03** Training must be conducted as part of the Authorized Gaming Operator's employee hiring process. Certification of such training must be submitted on a form approved by the Commission.

### **12.003 Annual report regarding Compulsive Gambling Activities**

**12.003.01** Each Authorized Gaming Operator must submit to the Commission an annual report regarding compulsive gambling activities within a form developed by the Commission.

### **12.004 Human Trafficking Training.**

**12.004.01** The Commission will establish a required training program for all employees of the gaming industry. Training will take into account suggestions made by the Nebraska Human Trafficking Task Force. Each Gaming Facility will also display posters and other human trafficking literature and assistance throughout the Gaming Facility as directed by the Commission.

### **13.006 Self-Exclusion.**

**13.006.01** The Self-Exclusion Program is established for the purpose of allowing persons who wish to refrain from gambling activities licensed by the Commission, to notify the Commission that they will accept responsibility for refraining from engaging in gambling activities offered by Authorized Gaming Operators. Each person seeking placement in the Self-Exclusion Program acknowledges that it is his or her responsibility to refrain from engaging in gambling activities under the jurisdiction of the Commission.

**13.006.02** An individual may request to have their name placed on the Self-Exclusion List by completing the application and following the procedure outlined in the Commission's website or printed material available from the Commission, at designated locations on and off the Premises of licensed gaming facilities under the jurisdiction of the Commission.

**13.006.03** An application for placement on the Self-Exclusion List may only be accepted, and an intake performed, by a designated agent approved by the Commission.

**13.006.04** Failure to provide any information or to execute any forms deemed necessary by the Commission may result in a denial of a request for placement in the Self-Exclusion Program.

**13.006.05** Self-Exclusion List application forms will include a request to waive the liability of the Commission and its agents, Commission Licensees and their agents, the State of Nebraska and any person licensed pursuant to the Act, or other such persons as deemed necessary by the Commission, for any damages that may arise out of any act or omission related to placement in the Self-Exclusion Program.

**13.006.06** Upon the filing of an application for placement in the Self-Exclusion Program, the Commission may file a Notice of Placement in the Self-Exclusion Program and such application and notice may be disclosed to persons licensed by the Commission and their agents and employees, as approved by the Commission. Such information is confidential and may only be used for purposes of administering the self-exclusion program according to the provisions of this Chapter.

**13.006.07** Upon submission of an application, a designated agent will review with the applicant the contents and statements contained in the application. If the application is complete, the designated agent will sign the application indicating that the review has been performed and the application has been accepted.

**13.006.08** A designated agent may not sign an application if (a) any required information is not provided or (b) they are of the belief that the applicant is not capable of understanding the responsibilities and consequences of being placed on the Self- Exclusion List.

**13.006.09** The designated agent will forward the signed application for Self-Exclusion to the Commission within forty-eight (48) hours of completion in a manner directed by the Commission.

**13.006.10** Upon receipt of an application, the Commission, or its designee, will review it for completeness. If the application meets all requirements of this chapter, the application will be approved, and the individual's name will be added to the Self-Exclusion List. If the application is incomplete, the Commission, or its designee, may deny the application and make efforts to contact the applicant advising them of such.

**13.006.11** If the Authorized gaming operator utilizes an internal management system to track individuals on the Self-Exclusion List, they will update that system at least every seventy-two (72) hours with names of individuals being added or removed from the Self-Exclusion List.

**13.006.12** The Commission, or its designee, will add to the Self Exclusion List the name of any individual provided from a gaming jurisdiction outside of the State of Nebraska, with which the Commission has entered into an intergovernmental agreement, upon a determination that the individual voluntarily requested that their name be added to the list of the referring jurisdiction and that they were notified, either directly or by operation of law, that their name may be placed on similar lists in other jurisdictions.

**13.006.13** A person does not have to admit they are a problem gambler when placing themselves in the Self-Exclusion Program.

**13.006.14** If the applicant has elected to seek services available within the State of Nebraska, the Commission, or its designee, will contact the designated coordinating organization for the provision of requested services. The Executive Director will determine the information and forms to be required of a person seeking placement on the Self- Exclusion List. Such information will include, but not be limited to, the following:

**13.006.14A** Name, home address, email address, telephone number, date of birth, and Social Security number of the applicant;

**13.006.14B** A passport-style photo of the applicant;

**13.006.14C** A statement from the applicant that one or more of the following apply:

**13.006.14C(i)** They identify as a “problem gambler,” meaning an individual who believes their gambling behavior is currently, or may in the future without intervention, cause problems in their life or on the lives of their family, friends, or co-workers;

**13.006.14C(ii)** They feel that their gambling behavior is currently causing problems in their life or may, without intervention, cause problems in their life; or

**13.006.14C(iii)** there is some other reason why they wish to add their name to the Self-Exclusion List.

**13.006.14D** Election of the duration of the exclusion;

**13.006.14E** An acknowledgment by the applicant that the individual will not be participating in gambling regulated under the jurisdiction of the Commission and that it is their sole responsibility to refrain from doing so;

**13.006.14F** An acknowledgment by the applicant that the applicant will not collect any winnings or recover any losses resulting from any gambling activity under the jurisdiction of the Commission for the duration of the exclusion period;

**13.006.14G** An acknowledgment by the applicant that the individual will forfeit all rewards or points earned or accumulated through any player reward or another promotional program they engage in gaming while on the Self- Exclusion List;

**13.006.14H** An offer by the Commission or the designated agent completing the self-exclusion application to assist the applicant to access information about gambling disorders, self-guided help or counseling;

**13.006.14I** An acknowledgment of understanding by the applicant that by placing their name on the Self-Exclusion List, the prohibitions identified in this Chapter apply to all gambling activities under the jurisdiction of the Commission or its Licensees or affiliates, whether within the State of Nebraska or another jurisdiction, and that the Commission may share the Self-Exclusion List with other domestic or international gaming jurisdictions resulting in placement on those lists;

**13.006.14J** An acknowledgment by the applicant that the individual is submitting the application freely, knowingly, and voluntarily;

**13.006.14K** A statement that the individual is not under the influence of a substance or suffering from a mental health condition that would impair their ability to make an informed decision;

**13.006.14L** An acknowledgment by the applicant that if they knowingly violate their agreement to refrain participating in any gambling activity offered by the Commission or its Licensees or affiliates during the exclusion period, the applicant will notify the Commission of such violation within twenty-four (24) hours of such gambling activity; and releasing the State of Nebraska, the Commission and all affiliated employees, entities and persons licensed by the Commission and their affiliates, from any claims associated with their breach of the agreement;

**13.006.14M** An affidavit verifying that the applicant wishes to be placed on the Self-Exclusion List, that the Commission is specifically authorized and requested to release all contents of the person's application to persons who, in the sole discretion of the Commission, are necessary to implement the policies and procedures contained in this chapter. Such persons will be subject to terms of confidentiality prescribed by the

Commission, which will be contained in the application. Such persons will include, but not be limited to the following:

**13.006.14M(i)** Employees or contractors of the Commission involved in the administration, supervision or activities related to the administration or supervision of this chapter;

**13.006.14M(ii)** Licensees of the Commission or their affiliates, agents and employees;

**13.006.14M(iii)** Designated agents; and

**13.006.14M(iv)** enforcement personnel involved in the administration, supervision or investigation of activities contained in this chapter.

**13.006.14N** An acknowledgment by the applicant that once their name is placed on the Self-Exclusion List, they may be refused entry or ejected from areas specifically devoted to of gambling under the jurisdiction of the Commission by a person licensed by the Commission, an agent of the Commission, or law enforcement personnel.

**13.006.15** As part of the request for self-exclusion, the individual must select the duration for which they wish to be excluded. An individual may select any of the following time periods as a minimum length of exclusion:

**13.006.15A** One (1) year;

**13.006.15B** Eighteen (18) months;

**13.006.15C** Three (3) years;

**13.006.15D** Five (5) years; or

**13.006.15E** Lifetime (an individual may only select the lifetime duration if their name has previously appeared on the Self-Exclusion List for at least six (6) months).

**13.006.16** An individual on the Self-Exclusion List may not apply to decrease the duration of exclusion. An individual who is on the Self-Exclusion List may submit a request to increase the minimum length of exclusion.

**13.006.17** Upon expiration of the selected duration of exclusion, individuals may request that their name be removed from the Self-Exclusion List or petition for exclusion for a new duration. Individuals will remain on the self-Exclusion List after the expiration of the selected duration of exclusion until such time as they submit a petition for removal, and it is approved by the Commission or its designee.

**13.006.18** At any time after the expiration of the selected duration of exclusion, an individual may request that their name be removed from the Self-Exclusion List by submitting a petition for removal on a form approved by the Commission. The petition will include confirmation from a designated agent that the individual completed an exit session. Any petition for removal received

by the Commission prior to the expiration of the duration of the selected exclusion period will be denied.

**13.006.19** The Commission will approve a completed petition for removal. An individual who has selected a lifetime duration may not submit a petition for the removal of their name from the Self-Exclusion List. An incomplete application, including one that fails to demonstrate completion of an exit session will be denied until such time as the application is completed.

**13.006.20** To be eligible for removal from the Self-Exclusion List the petitioner will participate in an exit session with a designated agent. The exit session will include a review of the risks and responsibilities of gambling, budget setting and a review of problem gambling resources should the petitioner wish to seek them. Upon completion of the exit session, the designated agent will sign the individual's petition for removal from the Self-Exclusion List attesting to the fact that the exit session was conducted.

**13.006.21** Upon approval of a petition for removal from the Self-Exclusion List, a written notice of removal from the Self-Exclusion List will be forwarded by the Commission, or its designee, to each gaming Licensee and to the petitioner. Notice may be forwarded to the petitioner by email or first-class mail to the email address or home address provided by the petitioner in the petition. The petitioner will be deemed to be removed from the Self-Exclusion List when the notice is sent by the Commission or its designee.

**13.006.22** If a petitioner does not meet the eligibility requirements for removal from the Self-Exclusion List by refusing to participate in the exit session provided in 12.006.20, the petition will be denied until the petitioner completes the exit session. The petitioner will be notified of the denial by email or first-class mail to the email address or home address provided by the petitioner in the petition. In the event of a denial of a petition, the individual will remain on the Self-Exclusion List until such time as the eligibility requirements have been satisfied.

**13.006.23** An individual whose name has been removed from the Self-Exclusion List may reapply for placement on the Self-Exclusion List at any time by submitting an application in accordance with this Chapter;

**13.006.24** An individual whose name was added to the Self-Exclusion List in the State of Nebraska in accordance with this chapter will be removed from the Self-Exclusion List upon receipt of written notice from the referring jurisdiction that the individual's name has been removed from that jurisdiction's list.

**13.006.25** The Commission will maintain an up-to-date database of the Self-Exclusion List. Licensees designated by the Commission will be afforded access to the Self-Exclusion List. The Self-Exclusion List may only be accessed by individuals authorized in accordance with the Licensee's approved system of internal controls. All information contained in approved applications for exclusion may be disclosed to a designated Licensee.

**13.006.26** The Commission may disclose de-identified information from the Self-Exclusion List to one or more research entities selected by the Commission for the purpose of evaluating the effectiveness and ensuring the proper administration of the self-exclusion program.



**13.006.27** Any person placed on the Self-Exclusion List pursuant to this chapter is deemed ineligible to place a wager at any Gaming Facility under the jurisdiction of the Commission. Persons on the Self-Exclusion List will not be entitled to recover losses resulting from their gambling activity since the wager was void from its beginning.

**13.006.28** Authorized Gaming Operators will have the following responsibilities relative to the administration of the Self-Exclusion Program:

**13.006.28A** Once aware that a person who is on the Self-Exclusion List is on Premises, the Authorized Gaming Operator will refuse such person entry to or eject such person from the Gaming Facility;

**13.006.28B** To refuse to accept a wager or to allow the purchase of any gambling product approved by the Commission to any individual that the Authorized Gaming Operator has identified as being on the Self-Exclusion List or a person such Authorized Gaming Operator suspects of being on the Self-Exclusion List;

**13.006.28C** To promptly notify the Commission, or its designee, if an individual on the Self- Exclusion List attempts to place or is discovered to have placed, or attempted to place, a wager or otherwise engage in gaming activity under the jurisdiction of the Commission;

**13.006.28D** Remove self-excluded persons from player loyalty or reward card programs and targeted print, online or other forms of advertising or promotions;

**13.006.28E** Refrain from marketing to individuals on the Self-Exclusion List;

**13.006.28F** Deny access to complimentary services or items, check cashing privileges, player reward programs, and other similar benefits to persons on the Self- Exclusion List;

**13.006.28G** Deny a person identified to be on the Self-Exclusion List from any winnings derived from gambling. Winnings derived from gambling will include, but not be limited to, such things as proceeds derived from any gambling product approved by the Commission. Where reasonably possible, the Licensee or retailer will withhold from the individual in a lawful manner or will refuse to pay any such winnings derived from gambling or any money or thing of value that the individual has converted or attempted to convert into a gambling instrument whether actually wagered or not. A wagering instrument will include, but not be limited to, tickets, vouchers, prizes, non- complimentary pay vouchers, electronic credits on a gaming device or any other implement of value representing a prize won from gambling. Upon withholding or refusing to pay an individual on the Self- Exclusion List, the Licensee or retailer will promptly notify the Commission. The monetary value of the withheld winnings and wagering instrument will be paid to the Commission within forty-five (45) days;

**13.006.28G(i)** If an individual on the Self-Exclusion List wishes to contest the forfeiture of winnings or things of value, the individual may request a hearing in writing with the Commission within fifteen (15) business days of the date of the forfeiture. The request will identify the reason why the winnings or things of value should not be forfeited.

A hearing will be conducted to determine whether the subject funds were properly forfeited in accordance with this Chapter;

**13.006.28G(ii)** In cooperation with the Commission, and where reasonably possible, the Authorized Gaming Operator will determine the amount wagered and lost by an individual who is prohibited from gambling. The monetary value of the losses will be paid to the Commission within forty-five (45) days.

**13.006.29** Authorized Gaming Operator Licensees will submit a written policy for compliance with the Self-Exclusion Program for Commission approval with its license application. The Commission will review the plan for compliance with this chapter. If approved, the plan will be implemented and followed by the Licensee.

**13.006.30** Programs and policies created by this Chapter are intended to prevent problem gambling, treat problem gamblers and promote responsible gaming. The sole remedy for failure to comply with this chapter will be disciplinary actions imposed by the Commission. The Commission, its Licensees, or employees thereof will not be liable for damages in any civil action, which is based on the following:

**13.006.30A** Compliance or noncompliance with this chapter or a plan adopted pursuant to this chapter;

**13.006.30B** An action or failure to take action under this chapter or a plan adopted under this chapter;

**13.006.30C** Failure to withhold gambling privileges from an individual; or

**13.006.30D** Permitting an individual to gamble.

**14.001 Smoking Regulations.**

**14.001.01** Gaming Facilities are subject to the requirements of the Nebraska Clean Indoor Act, *Neb. Rev. Stat. §71-5716 and §71-5717.*