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POLICY MEMORANDUM

Procedures for Reopening **Restricted Locations** and **Slot Route Operations** after Temporary Closure Due to COVID-19

On April 21, 2020, the Nevada Gaming Control Board ("Board") issued a policy memorandum that established the reopening procedures for Group I and II licensees following the mandated COVID-19 temporary closures. The Board issues this Policy Memorandum to address certain procedures to be followed as part of the reopening process specifically for *restricted locations* and *slot route operations*, as well as to provide temporary dispensation from certain regulatory requirements.

The required procedures listed below must be addressed for each restricted location, however please note that no plan as it concerns these items will need to be submitted to the Board. These procedures are not intended to be all encompassing and additional steps may be necessary based on individual operational needs. All procedures performed during the reopening process must be in compliance with the Gaming Control Act, Nevada Gaming Commission Regulations, and all other approved operating procedures (including any Board approved variations and waivers), unless otherwise specified by the Board.

The required reopening procedures and temporary regulatory relief are as follows:

1. **Business Closures**: Licensees are to notify the Board if a location does not plan to resume gaming operations within thirty (30) days after the expiration of the Governor's Emergency Directive 002, and must request permission to close temporarily as per NGC Regulation 9.010(2). The Board asks that the notification be submitted immediately to the Tax and License Division (NGCtaxforms@gcb.nv.gov) if such a decision is taken.

2. **Accounting Records**: Licensees must ensure that all liabilities to patrons are correctly accounted for and reconciled from the time of the temporary closure to the time of reopening, including without limitation, incremental progressive amounts, player tracking point balances, payout receipts, and wagering vouchers.

3. **Expired Tickets**: As payout receipts and wagering vouchers may have expired during the temporary closure, licensees must take measures to pay these liabilities or extend the expiration dates for such liabilities to accommodate for the period the location was closed.

4. **Gaming Equipment**: Licensees must verify that all new and modified gaming devices and associated equipment installed between the date of closure and the date of reopening have been approved in accordance with NGC Regulation 14 prior to making the new or modified gaming device or associated equipment available to the public.

5. **Gaming Employee Registrations**: Upon reopening, slot route operators will be responsible for reviewing the list of expired gaming employee registrations for their properties. Employees whose gaming registrations have expired during the closure may work for up to thirty (30) days while they renew their registrations. The Board will not take any regulatory action against licensees for expired gaming registrations, as long as all applicable renewal applications are submitted via the Board's online registration system within thirty (30) days of the reopening date. This exemption is only for renewal applications. New registration applications must be submitted prior to commencing work in a position that requires registration pursuant to NRS 463.335.

   If a licensee has terminated any of its employees within the Board's registration system, the Board will allow licensees a one-time option to administratively reinstate those employees within our system, so long as those employees return to work at the same location at the time of reopening. Please communicate any affected employees to the Enforcement Division at rgarcia@gcb.nv.gov. Employees must have been previously registered at the same location, separated from service due to the COVID-19 closures, and must be reinstated within sixty (60) days of the property's date of reopening. If a licensee communicates the list of affected employees to the Board, it will not need to perform any transactions in the online registration system. The Board will reactivate those employees at their previous locations, and they will appear on the property's registered employee list in the online registration system the following day.

6. **Progressives**: For the disposition of any progressive amounts pursuant to NGC Regulations 5.110(5)(c)(4) and 5.112(6)(d)(4), the disposition time requirements of NGC Regulations 5.110 and 5.112 do not begin until the expiration of the Governor's Emergency Directive 002.

7. **Informational Filings**: Certain quarterly and semi-annual filings by slot route operators were due to the Board during the time of the mandated closures, including those required by NGC Regulations 3.100(2) and 8.130(1). The deadlines for these filings are administratively extended to no later than thirty (30)

days after the expiration of the Governor's Emergency Directive 002. Any questions regarding these filings should be addressed to TLCompliance@gcb.nv.gov.

8. **Live Entertainment**: Restricted licensees which report live entertainment revenue must perform certain monthly, quarterly, and semi-annual procedures (pursuant to the Internal Control Procedures for Group II licensees). Due to the mandated closure, licensees may have been unable to perform these procedures. If the temporary closure impeded a licensee's ability to perform certain required procedures related to live entertainment revenue, violations will not be cited, rather those procedures will be administratively waived. Contact the Tax and License Division if additional clarification is needed.

9. **Install Base**: The following provisions apply to licensees reducing the number of slot machines from previously approved diagrams to comply with COVID-19 health requirements that may be imposed:

    - Reduction in the number of slot machines will not require the submission of a new diagram as required by NGC Regulation 4.090, if such reduction is in place for less than sixty (60) days. Any questions in this regard should be sent to NGCtaxforms@gcb.nv.gov.

    - Prior to offering any slot machine for play, licensees must first pay the associated annual and/or quarterly fees for each machine for that period. Such fees are unable to be refunded once a machine is offered for play.

    - If the required annual and/or quarterly fees for a slot machine have not been paid, licensees may only leave such machine on the floor if it has been properly disabled and does not allow patron play under any circumstance. To comply, licensees must remove the power cord, remove the machine's main processor board or place it into an out of service machine mode.

10. **Machine Placements**: Licensees changing the placement of slot machines from a previously approved Board diagram in order to comply with COVID-19 health requirements should note:

    - The Board will allow licensees to move machines in advance of requesting and obtaining administrative approval required under NGC Regulation 4.090. Licensees will be given sixty (60) days to request approval and submit updated diagrams to the Board for any changes following the expiration of the Governor's Emergency Directive 002. Please submit requests to NGCtaxforms@gcb.nv.gov.

- Licensees will be given sixty (60) days to bring their supervision capabilities required under NGC Regulation 4.090(1)(a)&(b) into compliance, following the expiration of the Governor's Emergency Directive 002.

- Under NGC Regulation 4.090(3) & (4), the Board's working review period will now be increased to thirty (30) days for requests made during this period.

Licensees must verify with all other state and local government entities to ensure compliance with their specific reopening requirements. Additionally, licensees must comply with all prescribed local, state and federal COVID-19 health requirements. Further direction and requirements on these matters may be issued by the Board as the situation evolves.

As always, please contact the Tax and License Division with any questions specifically relating to tax returns and tax forms (NGCtaxforms@gcb.nv.gov).

Further, any questions regarding the reopening procedures for restricted locations should be posed to the Tax and License, Enforcement or Technology Divisions, as applicable.

Sincerely,

Phil Katsaros
Board Member
PK/DD

cc: Sandra Douglass Morgan, Chairwoman
Terry Johnson, Board Member