

ALERT

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Nevada Authorizes Skill-Based Slot Machines

On May 19, 2015, the Nevada Governor signed into law Senate Bill 9 (SB9).

SB9 amends the Nevada Gaming Control Act (NRS Chapter 463) to allow for the outcome of gaming devices (e.g., slot machines) to be affected by the player's skill or other nondiscriminatory factors. Prior to the passage of SB9, the outcome of any gaming device had to be entirely random and the outcome could not be influenced by any external source.

In regard to SB9, the Nevada Legislature declared that "...the State of Nevada depends on the fostering of a business and regulatory environment that promotes continued advances in the use of technology in gaming, which improves the entertainment experience, encourages innovation and supports expansion of the domestic technology sector of the economy of this State."

SB9 directs the Nevada Gaming Commission (the Commission), with the advice and assistance of the State Gaming Control Board (the Board), to adopt regulations and technical standards that encourage gaming device manufacturers "to develop and deploy gaming devices, associated equipment and various gaming support systems that incorporate innovative, alternative and advance technology." In adopting such regulations, the Commission may: (a) establish requirements for "games of skill" (where skill predominates over chance in determining the outcome), "games of chance" (where chance determines the outcome), and "hybrid games" (where a combination of skill and chance determines the game outcome); (b) allow for variable payout percentages based on various identifiers (e.g., player skill, length of play); (c) allow for game integration with social networks; (d) facilitate interactive and concurrent play between players; (e) allow for account wagering; and (f) require appropriate disclosures to the player regarding what may affect the game's outcome.



The Board has commenced public workshops regarding the proposed regulations regarding skill-based games. Such workshops are ongoing, with the Commission planning on considering, and possibly approving, the regulations during the fourth quarter of 2015. Until such time as the new regulations are issued, only traditional games of chance will continue to be authorized.

About Greenberg Traurig's Global Gaming Practice

Greenberg Traurig's Global Gaming Practice Group focuses not only on casino operations, but also address lotteries, pari-mutuel wagering, charitable gaming and Internet gaming, where permitted by law. Members of the group have varied backgrounds and are located throughout 36 of the firm's offices, allowing them to assist gaming clients in this highly regulated industry across multiple jurisdictions. The group's focus includes the representation of manufacturers and suppliers, private equity firms and investment banks on gaming related matters.

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