



New Step for Nevada: Commission Approves Online Gambling Regulations

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On Dec. 22, 2011, the Nevada Gaming Commission unanimously approved regulations drafted by the Nevada Gaming Control Board that could make Nevada the first state to provide online gambling within its borders.

Earlier this year the Nevada state legislature [passed legislation allowing for intrastate online gaming](#). In June, Governor Brian Sandoval, a former Nevada Gaming Commission Chairman, signed the legislation into law. Earlier this year, Washington, D.C., became the first U.S. jurisdiction [to pass a law allowing online gambling](#) played within its geographic limits, but the law has still not been implemented. Several other states have debated or introduced bills that would legalize online gambling within its borders.

The Nevada regulations would allow the state's casinos to launch gambling websites for players within the state's borders by the end of 2012. Six companies have already filed an application for a Nevada license. The main operator of the website must be a casino company, but other companies will be allowed to provide software or other services to the websites.

The regulations state that all bets received by the website must be placed within Nevada until federal law changes or the Justice Department states that bets may be accepted from outside the state.

Mark Lipparelli, chairman of the Nevada Gaming Control Board, believes that under the new regulations, online poker in Nevada will be legal under federal law as long as the right to bet is limited to people located in Nevada. The regulations place the burden on the website operator to show that the bets were placed within the state. Lipparelli also stated that the technology exists to permit operators to enforce such a geographic limit. Lipparelli pointed to the fact that Nevada has allowed several companies to offer websites for sports betting within the state, and these sites have gone unchallenged by the federal government.

The regulations also require that website operators verify the age and location of every gambler who registers within 30 days of registration. Operators will be required to hold a reserve of cash or a line of credit to cover the money held in player accounts – a provision that must be verified



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by an independent accountant. The regulations also cover problem gambling notifications, information that must be posted on the websites, fees and taxation and record-keeping requirements.

Nevada Gaming Commission Chairman Peter Bernhard said that he expects the regulations to be adjusted as issues develop that are not addressed at present.

Some in the industry question whether Nevada, with a population of about 2.6 million, has enough people within its borders playing online poker will allow the sites to be profitable.

There has been some momentum in Congress [toward getting an online gaming bill passed](#). Two hearings [have been held by a House subcommittee](#) looking at the viability of online gambling.

The Nevada move is a major step forward for online gambling in the United States. The Nevada law clearly shows that there is a demand for online gambling and a belief that it can occur with the proper controls in place for age verification and for the prevention of problem gambling. This action may serve as an impetus for other states and the federal government to pass laws allowing online poker.

Crime in the Suites is authored by the [Ifrah Law Firm](#), a Washington DC-based law firm specializing in the defense of government investigations and litigation. Our client base spans many regulated industries, particularly e-business, e-commerce, government contracts, gaming and healthcare.

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