

## SUBCHAPTER A—GENERAL PROVISIONS

### PART 501—PURPOSE AND SCOPE OF THIS CHAPTER

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501.1 Purpose.

501.2 Scope.

AUTHORITY: 25 U.S.C. 2706, 2710.

SOURCE: 58 FR 5810, Jan. 22, 1993, unless otherwise noted.

#### § 501.1 Purpose.

This chapter implements the Indian Gaming Regulatory Act (Pub. L. 100-497, 102 Stat. 2467).

#### § 501.2 Scope.

(a) Tribes and other operators of class II and class III gaming operations on Indian lands shall conduct gaming operations according to the requirements of the Indian Gaming Regulatory Act, the regulations of this chapter, tribal law and, where applicable, the requirements of a compact or procedures prescribed by the Secretary under 25 U.S.C. 2710(d).

(b) Class I gaming on Indian lands is within the exclusive jurisdiction of the Indian tribes and shall not be subject to the provisions of the Indian Gaming Regulatory Act or this chapter.

(c) Class II gaming on Indian lands shall continue to be within the jurisdiction of an Indian tribe, but shall be subject to the provisions of the Indian Gaming Regulatory Act and this chapter.

(d) Nothing in the Indian Gaming Regulatory Act or this chapter shall impair the right of an Indian tribe to regulate class III gaming on its Indian lands concurrently with a State, except to the extent that such regulation is inconsistent with, or less stringent than, the State laws and regulations made applicable by a Tribal-State compact that is entered into by an Indian tribe under the Indian Gaming Regulatory Act and that is in effect.

### PART 502—DEFINITIONS OF THIS CHAPTER

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AUTHORITY: 25 U.S.C. 2701 *et seq.*

SOURCE: 57 FR 12392, Apr. 9, 1992, unless otherwise noted.

#### § 502.1 Chairman.

*Chairman* means the Chairman of the National Indian Gaming Commission or his or her designee.

#### § 502.2 Class I gaming.

*Class I gaming* means:

(a) Social games played solely for prizes of minimal value; or

(b) Traditional forms of Indian gaming when played by individuals in connection with tribal ceremonies or celebrations.

#### § 502.3 Class II gaming.

*Class II gaming* means:

(a) Bingo or lotto (whether or not electronic, computer, or other technologic aids are used) when players:

(1) Play for prizes with cards bearing numbers or other designations;

(2) Cover numbers or designations when object, similarly numbered or designated, are drawn or electronically determined; and

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(3) Win the game by being the first person to cover a designated pattern on such cards;

(b) If played in the same location as bingo or lotto, pull-tabs, punch boards, tip jars, instant bingo, and other games similar to bingo;

(c) Nonbanking card games that:

(1) State law explicitly authorizes, or does not explicitly prohibit, and are played legally anywhere in the state; and

(2) Players play in conformity with state laws and regulations concerning hours, periods of operation, and limitations on wagers and pot sizes;

(d) Card games played in the states of Michigan, North Dakota, South Dakota, or Washington if:

(1) An Indian tribe actually operates the same card games as played on or before May 1, 1988, as determined by the Chairman; and

(2) The pot and wager limits remain the same as on or before May 1, 1988, as determined by the Chariman;

(e) Individually owned class II gaming operations—

(1) That were operating on September 1, 1986;

(2) That meet the requirements of 25 U.S.C. 2710(b)(4)(B);

(3) Where the nature and scope of the game remains as it was on October 17, 1988; and

(4) Where the ownership interest or interests are the same as on October 17, 1988.

#### § 502.4 Class III gaming.

*Class III gaming* means all forms of gaming that are not class I gaming or class II gaming, including but not limited to:

(a) Any house banking game, including but not limited to—

(1) Card games such as baccarat, chemin de fer, blackjack (21), and pai gow (if played as house banking games);

(2) Casino games such as roulette, craps, and keno;

(b) Any slot machines as defined in 15 U.S.C. 1171(a)(1) and electronic or electromechanical facsimiles of any game of chance;

(c) Any sports betting and pari-mutuel wagering including but not limited to wagering on horse racing, dog racing or jai alai; or

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(d) Lotteries.

#### § 502.5 Collateral agreement.

*Collateral agreement* means any contract, whether or not in writing, that is related, either directly or indirectly, to a management contract, or to any rights, duties or obligations created between a tribe (or any of its members, entities, or organizations) and a management contractor or subcontractor (or any person or entity related to a management contractor or subcontractor).

#### § 502.6 Commission.

*Commission* means the National Indian Gaming Commission.

#### § 502.7 Electronic, computer or other technologic aid.

(a) *Electronic, computer or other technologic aid* means any machine or device that:

(1) Assists a player or the playing of a game;

(2) Is not an electronic or electromechanical facsimile; and

(3) Is operated in accordance with applicable Federal communications law.

(b) Electronic, computer or other technologic aids include, but are not limited to, machines or devices that:

(1) Broaden the participation levels in a common game;

(2) Facilitate communication between and among gaming sites; or

(3) Allow a player to play a game with or against other players rather than with or against a machine.

(c) Examples of electronic, computer or other technologic aids include pull tab dispensers and/or readers, telephones, cables, televisions, screens, satellites, bingo blowers, electronic player stations, or electronic cards for participants in bingo games.

[67 FR 41172, June 17, 2002]

#### § 502.8 Electronic or electromechanical facsimile.

*Electronic or electromechanical facsimile* means a game played in an electronic or electromechanical format that replicates a game of chance by incorporating all of the characteristics of the game, except when, for bingo, lotto, and other games similar to bingo, the electronic or

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electromechanical format broadens participation by allowing multiple players to play with or against each other rather than with or against a machine.

[67 FR 41172, June 17, 2002]

### § 502.9 Other games similar to bingo.

*Other games similar to bingo* means any game played in the same location as bingo (as defined in 25 USC 2703(7)(A)(i)) constituting a variant on the game of bingo, provided that such game is not house banked and permits players to compete against each other for a common prize or prizes.

[67 FR 41172, June 17, 2002]

### § 502.10 Gaming operation.

*Gaming operation* means each economic entity that is licensed by a tribe, operates the games, receives the revenues, issues the prizes, and pays the expenses. A gaming operation may be operated by a tribe directly; by a management contractor; or, under certain conditions, by another person or other entity.

### § 502.11 House banking game.

*House banking game* means any game of chance that is played with the house as a participant in the game, where the house takes on all players, collects from all losers, and pays all winners, and the house can win.

### § 502.12 Indian lands.

*Indian lands* means:

(a) Land within the limits of an Indian reservation; or  
(b) Land over which an Indian tribe exercises governmental power and that is either—

(1) Held in trust by the United States for the benefit of any Indian tribe or individual; or

(2) Held by an Indian tribe or individual subject to restriction by the United States against alienation.

### § 502.13 Indian tribe.

*Indian tribe* means any Indian tribe, band, nation, or other organized group or community of Indians that the Secretary recognizes as—

(a) Eligible for the special programs and services provided by the United

States to Indians because of their status as Indians; and

(b) Having powers of self-government.

### § 502.14 Key employee.

*Key employee* means:

(a) A person who performs one or more of the following functions:

(1) Bingo caller;

(2) Counting room supervisor;

(3) Chief of security;

(4) Custodian of gaming supplies or cash;

(5) Floor manager;

(6) Pit boss;

(7) Dealer;

(8) Croupier;

(9) Approver of credit; or

(10) Custodian of gambling devices including persons with access to cash and accounting records within such devices;

(b) If not otherwise included, any other person whose total cash compensation is in excess of \$50,000 per year; or,

(c) If not otherwise included, the four most highly compensated persons in the gaming operation.

(d) Any other person designated by the tribe as a key employee.

[57 FR 12392, Apr. 9, 1992, as amended at 74 FR 36932, July 27, 2009]

### § 502.15 Management contract.

*Management contract* means any contract, subcontract, or collateral agreement between an Indian tribe and a contractor or between a contractor and a subcontractor if such contract or agreement provides for the management of all or part of a gaming operation.

### § 502.16 Net revenues.

*Net revenues* means gross gaming revenues of an Indian gaming operation less—

(a) Amounts paid out as, or paid for, prizes; and

(b) Total gaming-related operating expenses, including all those expenses of the gaming operation commonly known as operating expenses and non-operating expenses consistent with professional accounting pronouncements, excluding management fees.

[74 FR 36932, July 27, 2009]

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**§ 502.17 Person having a direct or indirect financial interest in a management contract.**

*Person having a direct or indirect financial interest in a management contract* means:

(a) When a person is a party to a management contract, any person having a direct financial interest in such management contract;

(b) When a trust is a party to a management contract, any beneficiary or trustee;

(c) When a partnership is a party to a management contract, any partner;

(d) When a corporation is a party to a management contract, any person who is a director or who holds at least 5% of the issued and outstanding stock alone or in combination with another stockholder who is a spouse, parent, child or sibling when the corporation is publicly traded or the top ten (10) shareholders for a privately held corporation;

(e) When an entity other than a natural person has an interest in a trust, partnership or corporation that has an interest in a management contract, all parties of that entity are deemed to be persons having a direct financial interest in a management contract; or

(f) Any person or entity who will receive a portion of the direct or indirect interest of any person or entity listed above through attribution, grant, pledge, or gift.

[74 FR 36932, July 27, 2009]

**§ 502.18 Person having management responsibility for a management contract.**

*Person having management responsibility for a management contract* means the person designated by the management contract as having management responsibility for the gaming operation, or a portion thereof.

**§ 502.19 Primary management official.**

*Primary management official* means:

(a) The person having management responsibility for a management contract;

(b) Any person who has authority:

(1) To hire and fire employees; or

(2) To set up working policy for the gaming operation; or

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(c) The chief financial officer or other person who has financial management responsibility.

(d) Any other person designated by the tribe as a primary management official.

[57 FR 12392, Apr. 9, 1992, as amended at 74 FR 36933, July 27, 2009]

**§ 502.20 Secretary.**

*Secretary* means the Secretary of the Interior.

**§ 502.21 Tribal-State compact.**

*Tribal-State compact* means an agreement between a tribe and a state about class III gaming under 25 U.S.C. 2710(d).

**§ 502.23 Facility license.**

*Facility license* means a separate license issued by a tribe to each place, facility, or location on Indian lands where the tribe elects to allow class II or III gaming.

[73 FR 6029, Feb. 1, 2008]

**§ 502.24 Enforcement action.**

*Enforcement action* means any action taken by the Chair under 25 U.S.C. 2713 against any person engaged in gaming, for a violation of any provision of IGRA, the regulations of this chapter, or tribal regulations, ordinances, or resolutions approved under 25 U.S.C. 2710 or 2712 of IGRA, including, but not limited to, the following: A notice of violation; a civil fine assessment; or an order for temporary closure. Enforcement action does not include any action taken by NIGC staff, including but not limited to, the issuance of a letter of concern under § 573.2 of this chapter.

[77 FR 47514, Aug. 9, 2012]

**PART 503—COMMISSION INFORMATION COLLECTION REQUIREMENTS UNDER THE PAPERWORK REDUCTION ACT: OMB CONTROL NUMBERS AND EXPIRATION DATES**

Sec.

503.1 Purpose of this part.

503.2 Display of control numbers and expiration dates.

AUTHORITY: 44 U.S.C. 3501 *et seq.*