§ 542.6 Does this part apply to small and charitable gaming operations?

(a) Small gaming operations. This part shall not apply to small gaming operations provided that:

(1) The Tribal gaming regulatory authority permits the operation to be exempt from this part;

(2) The annual gross gaming revenue of the operation does not exceed $1-$2 million; and

Justification: In order to attain consistency with §543.6 in defining those gaming operations that are smaller than Tier A (small operations) and therefore may be exempt from many of the NIGC MICS requirements, it is recommended that the minimum threshold for Tier A be increased to “more than $2 million.”

Comment (March, 2010): Recommend that Tier A be changed to more than $3 million but not more than $8 million.

Response: Agree. Definition modified accordingly.

Note: In order to maintain consistency with the proposed definition of Tier A gaming operations (annual gross gaming revenue of more than $3 million but not more than $8 million), the threshold for small gaming operations has been increased to not more than $3 million.

Revised proposal as a result of March comment:

(2) The annual gross gaming revenue of the operation does not exceed $1-$2 $3 million; and

(3) The Tribal gaming regulatory authority develops and the operation complies with alternate procedures that:

(i) Protect the integrity of games offered; and

(ii) Safeguard the assets used in connection with the operation.
(b) **Charitable gaming operations.** This part shall not apply to charitable gaming operations provided that:

1. All proceeds are for the benefit of a charitable organization;

2. The Tribal gaming regulatory authority permits the charitable organization to be exempt from this part;

3. The charitable gaming operation is operated wholly by the charitable organization's employees or volunteers;

4. The annual gross gaming revenue of the charitable gaming operation does not exceed $100,000;

(i) Where the annual gross gaming revenues of the charitable gaming operation exceed $100,000, but are less than **$1 $2** million, paragraph (a) of this section shall also apply; and

**Justification:** In order to attain consistency with §543.6 in defining those gaming operations that are smaller than Tier A (small operations) and therefore may be exempt from many of the NIGC MICS requirements, it is recommended that the minimum threshold for Tier A be increased to “more than $2 million.”

**Comment** (March, 2010): Recommend that Tier A be changed to more than $3 million but not more than $8 million.

**Response:** Agree. Definition modified accordingly.

**Note:** In order to maintain consistency with the proposed definition of Tier A gaming operations (annual gross gaming revenue of more than $3 million but not more than $8 million), the threshold for small gaming operations has been increased to not more than $3 million.

Revised proposal as a result of March comment:
(i) Where the annual gross gaming revenues of the charitable gaming operation exceed $100,000, but are less than $1-$2 million, paragraph (a) of this section shall also apply; and

(ii) [Reserved]

(5) The Tribal gaming regulatory authority develops and the charitable gaming operation complies with alternate procedures that:

(i) Protect the integrity of the games offered; and

(ii) Safeguard the assets used in connection with the gaming operation.

(c) Independent operators. Nothing in this section shall exempt gaming operations conducted by independent operators for the benefit of a charitable organization.