

§ 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.”

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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~~ \$3 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.