

Amendment No. 590

Senate Amendment to Assembly Bill No. 7 First Reprint	(BDR 41-279)
Proposed by: Senate Committee on Judiciary	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

Adoption of this amendment will MAINTAIN the 2/3s majority vote requirement for final passage of A.B. 7 R1 (§ 20).
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ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



ASSEMBLY BILL NO. 7—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE NEVADA GAMING CONTROL BOARD)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Judiciary

SUMMARY—Revises provisions related to gaming. (BDR 41-279)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to ~~gaming;~~ **business;** establishing provisions relating to the approval of games or gambling games; revising the definition of “game” and “gambling game”; revising the definition of “associated equipment” to include inter-casino linked systems; revising, removing and repealing various provisions related to inter-casino linked systems; revising provisions relating to the confidentiality of certain information and data of manufacturers, distributors and operators; requiring certain persons involved in the manufacturing or distribution of associated equipment to register with the Nevada Gaming Control Board; **removing certain requirements relating to disclosures of admission charges for live entertainment;** repealing provisions relating to business entities who place race book and sports pool wagers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the Nevada Gaming Commission to issue licenses to certain persons for the operation of inter-casino linked systems. (NRS 463.170) Existing law requires an operator of an inter-casino linked system to pay an initial licensing fee of \$500 and an annual renewal fee of \$500, in addition to the proportionate share of certain other licensing fees. (NRS 463.245, 463.370, 463.3715, 463.375, 463.385, 463.3855) Existing law defines an “operator of an inter-casino linked system” as a person who under certain agreements places and operates an inter-casino linked system upon the premises of two or more licensed gaming establishments and who is authorized to share in the revenue from the linked games without needing a license to conduct gaming at the establishment. (NRS 463.01805) Moreover, existing law defines an “inter-casino linked system” as a network of electronically interfaced similar games located at two or more licensed gaming establishments and linked to conduct gaming activities, contests or tournaments. (NRS 463.01643)

Existing law defines “associated equipment” as any equipment or certain contrivances, components or machines used remotely or directly in connection with gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device. (NRS 463.0136) Existing law defines “manufacturer” to mean any person who operates, carries on, conducts or maintains any form of manufacture. (NRS 463.0172) Moreover, existing law

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18 defines “manufacture” to include: (1) manufacturing, producing, programming, designing,
19 controlling the design of or making modifications to associated equipment; (2) directing or
20 controlling the methods and processes used to design, develop, program, assemble, produce,
21 fabricate, compose and combine the components and other tangible objects of associated
22 equipment; (3) assembling, or controlling the assembly of associated equipment; or (4)
23 assuming responsibility for any such act. (NRS 463.01715)

24 **Section 2** of this bill revises the definition of “associated equipment” to include inter-
25 casino linked systems, thereby making inter-casino linked systems subject to the same
26 regulation and control as associated equipment, except that **section 9** of this bill retains certain
27 provisions related to the authority of the Commission to adopt certain regulations related to
28 inter-casino linked systems. **Sections 1.5, 4, 6-8, 10-13, 15-19, 21 and 23** of this bill remove
29 or repeal all other provisions with individual references to inter-casino linked systems.

30 Existing law: (1) requires manufacturers and distributors of associated equipment to
31 register with the Nevada Gaming Control Board under certain circumstances; (2) establishes a
32 maximum fee of \$1,000 for any application, issuance or renewal of such registration; and (3)
33 authorizes the Board to require any person who is not otherwise required to be licensed as a
34 manufacturer or distributor of associated equipment, and who is directly or indirectly involved
35 in the sale, transfer or offering for use or play in Nevada of associated equipment, to file an
36 application for a finding of suitability. (NRS 463.665) **Section 20** of this bill: (1) requires
37 persons who have a significant involvement in the manufacturing or distribution of associated
38 equipment to register with the Board under certain circumstances; (2) removes the limitation
39 on the fee that may be charged for the application or renewal of registration for a
40 manufacturer or distributor of associated equipment; and (3) removes the authorization for a
41 finding of suitability for certain persons involved in the sale, transfer or offering for use or
42 play in Nevada of associated equipment.

43 Existing law defines the terms “game” or “gambling game” to include a game or device
44 approved by the Commission. (NRS 463.0152) **Section 1** of this bill sets forth various
45 procedures relating to a recommendation for and approval of a game or gambling game.
46 Specifically, **section 1** authorizes the Board to recommend a game or gambling game for the
47 approval of the Commission, and authorizes the game or gambling game to be played
48 immediately upon the issuance of the recommendation by the Board, subject to the final
49 disposition of the Commission. **Section 1** requires the Commission to make a final disposition
50 regarding the approval or disapproval of the game or gambling game within 60 days after the
51 issuance of the recommendation by the Board. If the Commission does not make a final
52 disposition within 60 days after the recommendation of the Board is rendered, the game or
53 gambling game is deemed approved for play. **Section 1** also requires the Commission to adopt
54 regulations relating to the approval of games or gambling games. **Section 3** of this bill makes
55 a conforming change to the definition of “game” or “gambling game” relating to the
56 procedures established in **section 1**. **Section 3** also removes certain games from the definition.

57 Existing law defines the terms “associated equipment,” “game” or “gambling game” and
58 “gambling device” to include references to electromechanical contrivances, components,
59 machines, devices, displays or units, as applicable. (NRS 463.0136, 463.0152, 463.0155)
60 **Sections 2, 3 and 5** of this bill revise these definitions by removing certain electromechanical
61 references.

62 Existing law provides that information and data obtained by the Board from a
63 manufacturer, distributor or operator relating to the manufacturing of gaming devices is
64 confidential under certain circumstances. (NRS 463.120) **Section 8** of this bill expands such
65 confidentiality provisions to include information and data obtained by a manufacturer,
66 distributor or operator relating to any other technology regulated by the Board.

67 Existing law requires: (1) each ticket for admission to a facility where live
68 entertainment is provided to show the admission charge on its face; or (2) the seller of
69 the admission to prominently display a notice disclosing the admission charge at the box
70 office or other place where the charge is made. (NRS 368A.200) Section 21.5 of this bill
71 removes this requirement.

72 Existing law authorizes certain business entities to place race book and sports pool
73 wagers under certain circumstances. Existing law also authorizes the Commission to adopt
74 regulations governing the acceptance of such wagers. (NRS 463.800) **Section 23** of this bill
75 repeals this provision. **Section 14** of this bill makes a conforming change to reflect the
76 repealed section.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 463 of NRS is hereby amended by adding thereto a new
2 section to read as follows:

3 1. *Except as otherwise provided in this section, a licensee shall not offer a*
4 *game or gambling game for play unless the game or gambling game has received*
5 *a recommendation from the Board or an approval of the Commission.*

6 2. *The Board may recommend a game or gambling game for the approval*
7 *of the Commission, and upon the issuance of any such recommendation, a*
8 *licensee may immediately offer the game or gambling game for play, subject to*
9 *the final disposition of the Commission pursuant to subsection 3.*

10 3. *Not later than 60 days after the issuance of a recommendation of the*
11 *Board pursuant to subsection 2, the Commission shall render a final disposition*
12 *relating to the approval or disapproval of the game or gambling game. If the*
13 *Commission does not render a final disposition within such time, the game or*
14 *gambling game is deemed to be approved by the Commission.*

15 4. *The Commission shall adopt regulations governing the approval of*
16 *games or gambling games.*

17 **Sec. 1.5.** NRS 463.0129 is hereby amended to read as follows:

18 463.0129 1. The Legislature hereby finds, and declares to be the public
19 policy of this state, that:

20 (a) The gaming industry is vitally important to the economy of the State and
21 the general welfare of the inhabitants.

22 (b) The continued growth and success of gaming is dependent upon public
23 confidence and trust that licensed gaming and the manufacture, sale and distribution
24 of gaming devices and associated equipment are conducted honestly and
25 competitively, that establishments which hold restricted and nonrestricted licenses
26 where gaming is conducted and where gambling devices are operated do not unduly
27 impact the quality of life enjoyed by residents of the surrounding neighborhoods,
28 that the rights of the creditors of licensees are protected and that gaming is free
29 from criminal and corruptive elements.

30 (c) Public confidence and trust can only be maintained by strict regulation of
31 all persons, locations, practices, associations and activities related to the operation
32 of licensed gaming establishments ~~[-]~~ **and** the manufacture, sale or distribution of
33 gaming devices and associated equipment . ~~[-and the operation of inter-casino-linked~~
34 ~~systems-]~~

35 (d) All establishments where gaming is conducted and where gaming devices
36 are operated, and manufacturers, sellers and distributors of certain gaming devices
37 and equipment ~~[-, and operators of inter-casino-linked systems]~~ must therefore be
38 licensed, controlled and assisted to protect the public health, safety, morals, good
39 order and general welfare of the inhabitants of the State, to foster the stability and
40 success of gaming and to preserve the competitive economy and policies of free
41 competition of the State of Nevada.

42 (e) To ensure that gaming is conducted honestly, competitively and free of
43 criminal and corruptive elements, all gaming establishments in this state must
44 remain open to the general public and the access of the general public to gaming
45 activities must not be restricted in any manner except as provided by the
46 Legislature.

1 2. No applicant for a license or other affirmative Commission or Board
2 approval has any right to a license or the granting of the approval sought. Any
3 license issued or other Commission or Board approval granted pursuant to the
4 provisions of this chapter or chapter 464 of NRS is a revocable privilege, and no
5 holder acquires any vested right therein or thereunder.

6 3. This section does not:

7 (a) Abrogate or abridge any common-law right of a gaming establishment to
8 exclude any person from gaming activities or eject any person from the premises of
9 the establishment for any reason; or

10 (b) Prohibit a licensee from establishing minimum wagers for any gambling
11 game or slot machine.

12 **Sec. 2.** NRS 463.0136 is hereby amended to read as follows:

13 463.0136 “Associated equipment” means any equipment or mechanical ~~[-~~
14 ~~electromechanical]~~ or electronic contrivance, component or machine used remotely
15 or directly in connection with gaming, any game, race book or sports pool that
16 would not otherwise be classified as a gaming device, including dice, playing cards,
17 links which connect to progressive slot machines, *inter-casino linked systems*,
18 equipment which affects the proper reporting of gross revenue, computerized
19 systems of betting at a race book or sports pool, computerized systems for
20 monitoring slot machines and devices for weighing or counting money.

21 **Sec. 3.** NRS 463.0152 is hereby amended to read as follows:

22 463.0152 *1.* “Game” or “gambling game” means any game played with
23 cards, dice, equipment or any mechanical ~~[-~~ ~~electromechanical]~~ or electronic device
24 or machine for money, property, checks, credit or any representative of value,
25 including, without limiting the generality of the foregoing, faro, monte, roulette,
26 keno, bingo, fan-tan, twenty-one, blackjack, seven-and-a-half, ~~[big injun,]~~ klondike,
27 craps, poker, chuck-a-luck, ~~[Chinese chuck a luck (dai shu),]~~ wheel of fortune,
28 chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, any
29 banking or percentage game or any other game or device approved by the
30 Commission, *upon the recommendation of the Board*, ~~[but]~~ *pursuant to section 1*
31 *of this act.*

32 2. *The term* does not include games ~~[played]~~ :

33 (a) *Played* with cards in private homes or residences in which no person makes
34 money for operating the game, except as a player ; ~~[-]~~ or ~~[games operated]~~

35 (b) *Operated* by qualified organizations that are registered by the Chair
36 pursuant to the provisions of chapter 462 of NRS.

37 **Sec. 4.** NRS 463.0153 is hereby amended to read as follows:

38 463.0153 “Gaming” or “gambling” means to deal, operate, carry on, conduct,
39 maintain or expose for play any game as defined in NRS 463.0152 . ~~[-~~ ~~or to operate~~
40 ~~an inter-casino linked system.]~~

41 **Sec. 5.** NRS 463.0155 is hereby amended to read as follows:

42 463.0155 “Gaming device” means any object used remotely or directly in
43 connection with gaming or any game which affects the result of a wager by
44 determining win or loss and which does not otherwise constitute associated
45 equipment. The term includes, without limitation:

46 1. A slot machine.

47 2. Mobile gaming.

48 3. A collection of two or more of the following components:

49 (a) An assembled electronic circuit which cannot be reasonably demonstrated
50 to have any use other than in a slot machine;

51 (b) A cabinet with electrical wiring and provisions for mounting a coin, token
52 or currency acceptor and provisions for mounting a dispenser of coins, tokens or
53 anything of value;

1 (c) An assembled mechanical or electromechanical display unit intended for
2 use in gambling; or

3 (d) An assembled mechanical ~~[or electromechanical]~~ unit which cannot be
4 demonstrated to have any use other than in a slot machine.

5 4. Any object which may be connected to or used with a slot machine to alter
6 the normal criteria of random selection or affect the outcome of a game.

7 5. A system for the accounting or management of any game in which the
8 result of the wager is determined electronically by using any combination of
9 hardware or software for computers.

10 6. A control program.

11 7. Any combination of one of the components set forth in paragraphs (a) to
12 (d), inclusive, of subsection 3 and any other component which the Commission
13 determines by regulation to be a machine used directly or remotely in connection
14 with gaming or any game which affects the results of a wager by determining a win
15 or loss.

16 8. Any object that has been determined to be a gaming device pursuant to
17 regulations adopted by the Commission.

18 9. As used in this section:

19 (a) "Control program" means any software, source language or executable
20 code which affects the result of a wager by determining win or loss as determined
21 pursuant to regulations adopted by the Commission.

22 (b) "Mobile gaming" means the conduct of gambling games through
23 communications devices operated solely in an establishment which holds a
24 nonrestricted gaming license and which operates at least 100 slot machines and at
25 least one other game by the use of communications technology that allows a person
26 to transmit information to a computer to assist in the placing of a bet or wager and
27 corresponding information related to the display of the game, game outcomes or
28 other similar information. For the purposes of this paragraph, "communications
29 technology" means any method used and the components employed by an
30 establishment to facilitate the transmission of information, including, without
31 limitation, transmission and reception by systems based on wireless network,
32 wireless fidelity, wire, cable, radio, microwave, light, optics or computer data
33 networks. The term does not include the Internet.

34 **Sec. 6.** NRS 463.0157 is hereby amended to read as follows:

35 463.0157 1. "Gaming employee" means any person connected directly with
36 an operator of a slot route, the operator of a pari-mutuel system ~~[, the operator of an~~
37 ~~inter-casino linked system]~~ or a manufacturer, distributor or disseminator, or with
38 the operation of a gaming establishment licensed to conduct any game, 16 or more
39 slot machines, a race book, sports pool or pari-mutuel wagering, including:

40 (a) Accounting or internal auditing personnel who are directly involved in any
41 recordkeeping or the examination of records associated with revenue from gaming;

42 (b) Boxpersons;

43 (c) Cashiers;

44 (d) Change personnel;

45 (e) Counting room personnel;

46 (f) Dealers;

47 (g) Employees of a person required by NRS 464.010 to be licensed to operate
48 an off-track pari-mutuel system;

49 (h) Employees of a person required by NRS 463.430 to be licensed to
50 disseminate information concerning racing and employees of an affiliate of such a
51 person involved in assisting the person in carrying out the duties of the person in
52 this State;

1 (i) Employees whose duties are directly involved with the manufacture, repair,
2 sale or distribution of gaming devices, associated equipment when the employer is
3 required by NRS 463.650 to be licensed, cashless wagering systems or interactive
4 gaming systems;

5 (j) Employees of operators of slot routes who have keys for slot machines or
6 who accept and transport revenue from the slot drop;

7 (k) Employees of operators of ~~{inter-casino-linked-systems-or}~~ interactive
8 gaming systems whose duties include the operational or supervisory control of the
9 systems or the games that are part of the systems;

10 (l) Employees of operators of call centers who perform, or who supervise the
11 performance of, the function of receiving and transmitting wagering instructions;

12 (m) Employees who have access to the Board's system of records for the
13 purpose of processing the registrations of gaming employees that a licensee is
14 required to perform pursuant to the provisions of this chapter and any regulations
15 adopted pursuant thereto;

16 (n) Floorpersons;

17 (o) Hosts or other persons empowered to extend credit or complimentary
18 services;

19 (p) Keno runners;

20 (q) Keno writers;

21 (r) Machine mechanics;

22 (s) Odds makers and line setters;

23 (t) Security personnel;

24 (u) Shift or pit bosses;

25 (v) Shifts;

26 (w) Supervisors or managers;

27 (x) Ticket writers;

28 (y) Employees of a person required by NRS 463.160 to be licensed to operate
29 an information service;

30 (z) Employees of a licensee who have local access and provide management,
31 support, security or disaster recovery services for any hardware or software that is
32 regulated pursuant to the provisions of this chapter and any regulations adopted
33 pursuant thereto; and

34 (aa) Temporary or contract employees hired by a licensee to perform a function
35 related to gaming.

36 2. "Gaming employee" does not include barbacks or bartenders whose duties
37 do not involve gaming activities, cocktail servers or other persons engaged
38 exclusively in preparing or serving food or beverages.

39 3. As used in this section, "local access" means access to hardware or
40 software from within a licensed gaming establishment, hosting center or elsewhere
41 within this State.

42 **Sec. 7.** NRS 463.0177 is hereby amended to read as follows:

43 463.0177 "Nonrestricted license" or "nonrestricted operation" means:

44 1. A state gaming license for, or an operation consisting of, 16 or more slot
45 machines;

46 2. A license for, or operation of, any number of slot machines together with
47 any other game, gaming device, race book or sports pool at one establishment; *or*

48 3. A license for, or the operation of, a slot machine route. ~~{-or-~~

49 ~~4. A license for, or the operation of, an inter-casino-linked system.]~~

50 **Sec. 8.** NRS 463.120 is hereby amended to read as follows:

51 463.120 1. The Board and the Commission shall cause to be made and kept
52 a record of all proceedings at regular and special meetings of the Board and the
53 Commission. These records are open to public inspection.

1 2. The Board shall maintain a file of all applications for licenses under this
2 chapter and chapter 466 of NRS, together with a record of all action taken with
3 respect to those applications. The file and record are open to public inspection.

4 3. The Board and the Commission may maintain such other files and records
5 as they may deem desirable.

6 4. Except as otherwise provided in this section, all information and data:

7 (a) Required by the Board or Commission to be furnished to it under chapters
8 462 to 466, inclusive, of NRS or any regulations adopted pursuant thereto or which
9 may be otherwise obtained relative to the finances, earnings or revenue of any
10 applicant or licensee;

11 (b) Pertaining to an applicant's or natural person's criminal record, antecedents
12 and background which have been furnished to or obtained by the Board or
13 Commission from any source;

14 (c) Provided to the members, agents or employees of the Board or Commission
15 by a governmental agency or an informer or on the assurance that the information
16 will be held in confidence and treated as confidential;

17 (d) Obtained by the Board from a manufacturer, distributor or operator ~~[- or~~
18 ~~from an operator of an inter-casino linked system,]~~ relating to ~~[the] :~~

19 (1) ~~The~~ manufacturing of gaming devices ; ~~for the operation of an inter-~~
20 ~~casino linked system,]~~ **and**

21 (2) **Any other technology regulated by the Board;**

22 (e) Obtained by the Board from a public accommodation facility pursuant to
23 NRS 447.345; or

24 (f) Prepared or obtained by an agent or employee of the Board or Commission
25 pursuant to an audit, investigation, determination or hearing.

26 ➤ are confidential and may be revealed in whole or in part only in the course of the
27 necessary administration of this chapter or upon the lawful order of a court of
28 competent jurisdiction. The Board and Commission may reveal such information
29 and data to an authorized agent of any agency of the United States Government,
30 any state or any political subdivision of a state or the government of any foreign
31 country. Notwithstanding any other provision of state law, such information may
32 not be otherwise revealed without specific authorization by the Board or
33 Commission.

34 5. Notwithstanding any other provision of state law, any and all information
35 and data prepared or obtained by an agent or employee of the Board or Commission
36 relating to an application for a license, a finding of suitability or any approval that
37 is required pursuant to the provisions of chapters 462 to 466, inclusive, of NRS or
38 any regulations adopted pursuant thereto, are confidential and absolutely privileged
39 and may be revealed in whole or in part only in the course of the necessary
40 administration of such provisions and with specific authorization and waiver of the
41 privilege by the Board or Commission. The Board and Commission may reveal
42 such information and data to an authorized agent of any agency of the United States
43 Government, any state or any political subdivision of a state or the government of
44 any foreign country.

45 6. Notwithstanding any other provision of state law, if any applicant or
46 licensee provides or communicates any information and data to an agent or
47 employee of the Board or Commission in connection with its regulatory,
48 investigative or enforcement authority:

49 (a) All such information and data are confidential and privileged and the
50 confidentiality and privilege are not waived if the information and data are shared
51 or have been shared with an authorized agent of any agency of the United States
52 Government, any state or any political subdivision of a state or the government of
53 any foreign country in connection with its regulatory, investigative or enforcement

1 authority, regardless of whether such information and data are shared or have been
2 shared either before or after being provided or communicated to an agent or
3 employee of the Board or Commission; and

4 (b) The applicant or licensee has a privilege to refuse to disclose, and to
5 prevent any other person or governmental agent, employee or agency from
6 disclosing, the privileged information and data.

7 7. Before the beginning of each legislative session, the Board shall submit to
8 the Legislative Commission for its review and for the use of the Legislature a report
9 on the gross revenue, net revenue and average depreciation of all licensees,
10 categorized by class of licensee and geographical area and the assessed valuation of
11 the property of all licensees, by category, as listed on the assessment rolls.

12 8. Notice of the content of any information or data furnished or released
13 pursuant to subsection 4 may be given to any applicant or licensee in a manner
14 prescribed by regulations adopted by the Commission.

15 9. The files, records and reports of the Board are open at all times to
16 inspection by the Commission and its authorized agents.

17 10. All files, records, reports and other information pertaining to gaming
18 matters in the possession of the Nevada Tax Commission must be made available to
19 the Board and the Nevada Gaming Commission as is necessary to the
20 administration of this chapter.

21 11. For the purposes of this section, “information and data” means all
22 information and data in any form, including, without limitation, any oral, written,
23 audio, visual, digital or electronic form, and the term includes, without limitation,
24 any account, book, correspondence, file, message, paper, record, report or other
25 type of document, including, without limitation, any document containing self-
26 evaluative assessments, self-critical analysis or self-appraisals of an applicant’s or
27 licensee’s compliance with statutory or regulatory requirements.

28 **Sec. 9.** NRS 463.15993 is hereby amended to read as follows:

29 463.15993 1. The Commission shall adopt regulations governing the
30 approval and operation of inter-casino linked systems and the ~~licensing~~ approval
31 of the operators of such systems.

32 2. The Commission shall include in the regulations, without limitation:

33 (a) Standards for the approval and operation of an inter-casino linked system.

34 (b) Requirements for the:

35 (1) Operator of an inter-casino linked system to disclose to the Board, the
36 Commission and licensees on a confidential basis the rate of progression of the
37 primary jackpot meter; and

38 (2) Establishment of a minimum rate of progression of the primary jackpot
39 meter.

40 (c) Criteria for multiple ~~licensing~~ approvals of inter-casino linked systems
41 and the operators of inter-casino linked systems.

42 (d) Procedures and criteria for the regular auditing of the regulatory
43 compliance of an operator of an inter-casino linked system.

44 **Sec. 10.** NRS 463.160 is hereby amended to read as follows:

45 463.160 1. Except as otherwise provided in subsection ~~[4]~~ 3 and NRS
46 462.155 and 463.172, it is unlawful for any person, either as owner, lessee or
47 employee, whether for hire or not, either solely or in conjunction with others:

48 (a) To deal, operate, carry on, conduct, maintain or expose for play in the State
49 of Nevada any gambling game, gaming device, ~~[inter-casino linked system,]~~ slot
50 machine, race book or sports pool;

51 (b) To provide or maintain any information service;

52 (c) To operate a gaming salon;

1 (d) To receive, directly or indirectly, any compensation or reward or any
2 percentage or share of the money or property played, for keeping, running or
3 carrying on any gambling game, slot machine, gaming device, race book or sports
4 pool;

5 (e) To operate as a cash access and wagering instrument service provider; or

6 (f) To operate, carry on, conduct, maintain or expose for play in or from the
7 State of Nevada any interactive gaming system,

8 ➤ without having first procured, and thereafter maintaining in effect, all federal,
9 state, county and municipal gaming licenses or registrations as required by statute,
10 regulation or ordinance or by the governing board of any unincorporated town.

11 2. ~~[The licensure of an operator of an inter casino linked system is not
12 required if:~~

13 ~~—(a) A gaming licensee is operating an inter casino linked system on the
14 premises of an affiliated licensee; or~~

15 ~~—(b) An operator of a slot machine route is operating an inter casino linked
16 system consisting of slot machines only.~~

17 ~~—3.]~~ Except as otherwise provided in subsection ~~[4.]~~ 3, it is unlawful for any
18 person knowingly to permit any gambling game, slot machine, gaming device,
19 ~~[inter casino linked system,]~~ race book or sports pool to be conducted, operated,
20 dealt or carried on in any house or building or other premises owned by the person,
21 in whole or in part, by a person who is not licensed pursuant to this chapter, or that
22 person's employee.

23 ~~[4.]~~ 3. The Commission may, by regulation, authorize a person to own or
24 lease gaming devices for the limited purpose of display or use in the person's
25 private residence without procuring a state gaming license.

26 ~~[5.]~~ 4. For the purposes of this section, the operation of a race book or sports
27 pool includes making the premises available for any of the following purposes:

28 (a) Allowing patrons to establish an account for wagering with the race book or
29 sports pool;

30 (b) Accepting wagers from patrons;

31 (c) Allowing patrons to place wagers;

32 (d) Paying winning wagers to patrons; or

33 (e) Allowing patrons to withdraw cash from an account for wagering or to be
34 issued a ticket, receipt, representation of value or other credit representing a
35 withdrawal from an account for wagering that can be redeemed for cash,

36 ➤ whether by a transaction in person at an establishment or through mechanical
37 means, such as a kiosk or similar device, regardless of whether that device would
38 otherwise be considered associated equipment. A separate license must be obtained
39 for each location at which such an operation is conducted.

40 ~~[6. As used in this section, "affiliated licensee" has the meaning ascribed to it
41 in NRS 463.430.]~~

42 **Sec. 11.** NRS 463.170 is hereby amended to read as follows:

43 463.170 1. Any person who the Commission determines is qualified to
44 receive a license, to be found suitable or to receive any approval required under the
45 provisions of this chapter, or to be found suitable regarding the operation of a
46 charitable lottery under the provisions of chapter 462 of NRS, having due
47 consideration for the proper protection of the health, safety, morals, good order and
48 general welfare of the inhabitants of the State of Nevada and the declared policy of
49 this State, may be issued a state gaming license, be found suitable or receive any
50 approval required by this chapter, as appropriate. The burden of proving an
51 applicant's qualification to receive any license, be found suitable or receive any
52 approval required by this chapter is on the applicant.

1 2. An application to receive a license or be found suitable must not be granted
2 unless the Commission is satisfied that the applicant is:

3 (a) A person of good character, honesty and integrity;

4 (b) A person whose prior activities, criminal record, if any, reputation, habits
5 and associations do not pose a threat to the public interest of this State or to the
6 effective regulation and control of gaming or charitable lotteries, or create or
7 enhance the dangers of unsuitable, unfair or illegal practices, methods and activities
8 in the conduct of gaming or charitable lotteries or in the carrying on of the business
9 and financial arrangements incidental thereto; and

10 (c) In all other respects qualified to be licensed or found suitable consistently
11 with the declared policy of the State.

12 3. A license to operate a gaming establishment ~~for an inter-casino linked~~
13 ~~system~~ must not be granted unless the applicant has satisfied the Commission that:

14 (a) The applicant has adequate business probity, competence and experience, in
15 gaming or generally; and

16 (b) The proposed financing of the entire operation is:

17 (1) Adequate for the nature of the proposed operation; and

18 (2) From a suitable source.

19 ↘ Any lender or other source of money or credit which the Commission finds does
20 not meet the standards set forth in subsection 2 may be deemed unsuitable.

21 4. An application to receive a license or be found suitable constitutes a
22 request for a determination of the applicant's general character, integrity, and
23 ability to participate or engage in, or be associated with gaming or the operation of
24 a charitable lottery, as appropriate. Any written or oral statement made in the
25 course of an official proceeding of the Board or Commission by any member
26 thereof or any witness testifying under oath which is relevant to the purpose of the
27 proceeding is absolutely privileged and does not impose liability for defamation or
28 constitute a ground for recovery in any civil action.

29 5. The Commission may in its discretion grant a license to:

30 (a) A publicly traded corporation which has complied with the provisions of
31 NRS 463.625 to 463.643, inclusive;

32 (b) Any other corporation which has complied with the provisions of NRS
33 463.490 to 463.530, inclusive;

34 (c) A limited partnership which has complied with the provisions of NRS
35 463.564 to 463.571, inclusive; and

36 (d) A limited-liability company which has complied with the provisions of
37 NRS 463.5731 to 463.5737, inclusive.

38 6. No limited partnership, except one whose sole limited partner is a publicly
39 traded corporation which has registered with the Commission, or a limited-liability
40 company, or business trust or organization or other association of a quasi-corporate
41 character is eligible to receive or hold any license under this chapter unless all
42 persons having any direct or indirect interest therein of any nature whatever,
43 whether financial, administrative, policymaking or supervisory, are individually
44 qualified to be licensed under the provisions of this chapter.

45 7. The Commission may, by regulation:

46 (a) Limit the number of persons who may be financially interested and the
47 nature of their interest in any corporation, other than a publicly traded corporation,
48 limited partnership, limited-liability company or other organization or association
49 licensed under this chapter; and

50 (b) Establish such other qualifications for licenses as it may, in its discretion,
51 deem to be in the public interest and consistent with the declared policy of the
52 State.

1 8. Any person granted a license or found suitable by the Commission shall
2 continue to meet the applicable standards and qualifications set forth in this section
3 and any other qualifications established by the Commission by regulation. The
4 failure to continue to meet such standards and qualifications constitutes grounds for
5 disciplinary action.

6 **Sec. 12.** NRS 463.245 is hereby amended to read as follows:

7 463.245 1. Except as otherwise provided in this section:

8 (a) All licenses issued to the same person, including a wholly owned subsidiary
9 of that person, for the operation of any game, including a sports pool or race book,
10 which authorize gaming at the same establishment must be merged into a single
11 gaming license.

12 (b) A gaming license may not be issued to any person if the issuance would
13 result in more than one licensed operation at a single establishment, whether or not
14 the profits or revenue from gaming are shared between the licensed operations.

15 2. A person who has been issued a nonrestricted gaming license for an
16 operation described in subsection 1 or 2 of NRS 463.0177 may establish a sports
17 pool or race book on the premises of the establishment only after obtaining
18 permission from the Commission.

19 3. A person who has been issued a license to operate a sports pool or race
20 book at an establishment may be issued a license to operate a sports pool or race
21 book at a second establishment described in subsection 1 or 2 of NRS 463.0177
22 only if the second establishment is operated by a person who has been issued a
23 nonrestricted license for that establishment. A person who has been issued a license
24 to operate a race book or sports pool at an establishment is prohibited from
25 operating a race book or sports pool at:

26 (a) An establishment for which a restricted license has been granted; or

27 (b) An establishment at which only a nonrestricted license has been granted for
28 an operation described in subsection 3 ~~for 4~~ of NRS 463.0177.

29 4. A person who has been issued a license to operate a race book or sports
30 pool shall not enter into an agreement for the sharing of revenue from the operation
31 of the race book or sports pool with another person in consideration for the
32 offering, placing or maintaining of a kiosk or other similar device not physically
33 located on the licensed premises of the race book or sports pool, except:

34 (a) An affiliated licensed race book or sports pool; or

35 (b) The licensee of an establishment at which the race book or sports pool
36 holds or obtains a license to operate pursuant to this section.

37 ➤ This subsection does not prohibit an operator of a race book or sports pool from
38 entering into an agreement with another person for the provision of shared services
39 relating to advertising or marketing.

40 5. ~~[Nothing in this section limits or prohibits an operator of an inter casino
41 linked system from placing and operating such a system on the premises of two or
42 more gaming licensees and receiving, either directly or indirectly, any
43 compensation or any percentage or share of the money or property played from the
44 linked games in accordance with the provisions of this chapter and the regulations
45 adopted by the Commission. An inter casino linked system must not be used to link
46 games other than slot machines, unless such games are located at an establishment
47 that is licensed for games other than slot machines.]~~

48 — 6. For the purposes of this section, the operation of a race book or sports pool
49 includes making the premises available for any of the following purposes:

50 (a) Allowing patrons to establish an account for wagering with the race book or
51 sports pool;

52 (b) Accepting wagers from patrons;

53 (c) Allowing patrons to place wagers;

1 (d) Paying winning wagers to patrons; or

2 (e) Allowing patrons to withdraw cash from an account for wagering or to be
3 issued a ticket, receipt, representation of value or other credit representing a
4 withdrawal from an account for wagering that can be redeemed for cash,
5 whether by a transaction in person at an establishment or through mechanical
6 means such as a kiosk or other similar device, regardless of whether that device
7 would otherwise be considered associated equipment.

8 ~~[7.]~~ 6. The provisions of this section do not apply to a license to operate
9 interactive gaming.

10 **Sec. 13.** NRS 463.305 is hereby amended to read as follows:

11 463.305 1. Any person who operates or maintains in this State any gaming
12 device of a specific model ~~[.]~~ or any gaming device which includes a significant
13 modification ~~[or any inter-casino-linked system]~~ which the Board or Commission
14 has not approved for testing or for operation is subject to disciplinary action by the
15 Board or Commission.

16 2. The Board shall maintain a list of approved gaming devices . ~~[and inter-~~
17 ~~casino-linked systems.]~~

18 3. If the Board suspends or revokes approval of a gaming device pursuant to
19 the regulations adopted pursuant to subsection 4, the Board may order the removal
20 of the gaming device from an establishment.

21 4. The Commission shall adopt regulations relating to gaming devices and
22 their significant modification . ~~[and inter-casino-linked systems.]~~

23 **Sec. 14.** NRS 463.360 is hereby amended to read as follows:

24 463.360 1. Conviction by a court of competent jurisdiction of a person for a
25 violation of, an attempt to violate, or a conspiracy to violate any of the provisions
26 of this chapter or of chapter 463B, 464 or 465 of NRS may act as an immediate
27 revocation of all licenses which have been issued to the violator, and, in addition,
28 the court may, upon application of the district attorney of the county or of the
29 Commission, order that no new or additional license under this chapter be issued to
30 the violator, or be issued to any person for the room or premises in which the
31 violation occurred, for 1 year after the date of the revocation.

32 2. A person who willfully fails to report, pay or truthfully account for and pay
33 over any license fee or tax imposed by the provisions of this chapter, or willfully
34 attempts in any manner to evade or defeat any such license fee, tax or payment
35 thereof is guilty of a category C felony and shall be punished as provided in NRS
36 193.130. In addition to any other penalty, the court shall order the person to pay
37 restitution.

38 3. Except as otherwise provided in subsection 4, a person who willfully
39 violates, attempts to violate, or conspires to violate any of the provisions of
40 subsection 1 of NRS 463.160 ~~[or NRS 463.800]~~ is guilty of a category B felony and
41 shall be punished by imprisonment in the state prison for a minimum term of not
42 less than 1 year and a maximum term of not more than 10 years, by a fine of not
43 more than \$50,000, or by both fine and imprisonment.

44 4. A licensee who puts additional games or slot machines into play or displays
45 additional games or slot machines in a public area without first obtaining all
46 required licenses and approval is subject only to the penalties provided in NRS
47 463.270 and 463.310 and in any applicable ordinance of the county, city or town.

48 5. A person who willfully violates any provision of a regulation adopted
49 pursuant to NRS 463.125 is guilty of a category C felony and shall be punished as
50 provided in NRS 193.130.

51 6. The violation of any of the provisions of this chapter, the penalty for which
52 is not specifically fixed in this chapter, is a gross misdemeanor.

1 **Sec. 15.** NRS 463.370 is hereby amended to read as follows:

2 463.370 1. Except as otherwise provided in NRS 463.373, the Commission
3 shall charge and collect from each licensee a license fee based upon all the gross
4 revenue of the licensee as follows:

5 (a) Three and one-half percent of all the gross revenue of the licensee which
6 does not exceed \$50,000 per calendar month;

7 (b) Four and one-half percent of all the gross revenue of the licensee which
8 exceeds \$50,000 per calendar month and does not exceed \$134,000 per calendar
9 month; and

10 (c) Six and three-quarters percent of all the gross revenue of the licensee which
11 exceeds \$134,000 per calendar month.

12 2. Unless the licensee has been operating for less than a full calendar month,
13 the Commission shall charge and collect the fee prescribed in subsection 1, based
14 upon the gross revenue for the preceding calendar month, on or before the 15th day
15 of the following month. Except for the fee based on the first full month of
16 operation, the fee is an estimated payment of the license fee for the third month
17 following the month whose gross revenue is used as its basis.

18 3. When a licensee has been operating for less than a full calendar month, the
19 Commission shall charge and collect the fee prescribed in subsection 1, based on
20 the gross revenue received during that month, on or before the 15th day of the
21 following calendar month of operation. After the first full calendar month of
22 operation, the Commission shall charge and collect the fee based on the gross
23 revenue received during that month, on or before the 15th day of the following
24 calendar month. The payment of the fee due for the first full calendar month of
25 operation must be accompanied by the payment of a fee equal to three times the fee
26 for the first full calendar month. This additional amount is an estimated payment of
27 the license fees for the next 3 calendar months. Thereafter, each license fee must be
28 paid in the manner described in subsection 2. Any deposit held by the Commission
29 on July 1, 1969, must be treated as an advance estimated payment.

30 4. All revenue received from any game or gaming device which is operated
31 on the premises of a licensee, regardless of whether any portion of the revenue is
32 shared with any other person, must be attributed to the licensee for the purposes of
33 this section and counted as part of the gross revenue of the licensee. Any other
34 person ~~[, including, without limitation, an operator of an inter-casino linked
35 system,]~~ who is authorized to receive a share of the revenue from any game ~~[,]~~ **or**
36 gaming device ~~[or inter-casino linked system]~~ that is operated on the premises of a
37 licensee is liable to the licensee for that person's proportionate share of the license
38 fees paid by the licensee pursuant to this section and shall remit or credit the full
39 proportionate share to the licensee on or before the 15th day of each calendar
40 month. ~~[The proportionate share of an operator of an inter-casino linked system
41 must be based on all compensation and other consideration received by the operator
42 of the inter-casino linked system, including, without limitation, amounts that accrue
43 to the meter of the primary progressive jackpot of the inter-casino linked system
44 and amounts that fund the reserves of such a jackpot, subject to all appropriate
45 adjustments for deductions, credits, offsets and exclusions that the licensee is
46 entitled to take or receive pursuant to the provisions of this chapter.]~~ A licensee is
47 not liable to any other person authorized to receive a share of the licensee's revenue
48 from any game ~~[,]~~ **or** gaming device ~~[or inter-casino linked system]~~ that is operated
49 on the premises of the licensee for that person's proportionate share of the license
50 fees to be remitted or credited to the licensee by that person pursuant to this section.

51 5. ~~[An operator of an inter-casino linked system shall not enter into any
52 agreement or arrangement with a licensee that provides for the operator of the inter-
53 casino linked system to be liable to the licensee for less than its full proportionate~~

1 ~~share of the license fees paid by the licensee pursuant to this section, whether~~
2 ~~accomplished through a rebate, refund, charge back or otherwise.~~

3 ~~— 6.~~ Any person required to pay a fee pursuant to this section shall file with the
4 Commission, on or before the 15th day of each calendar month, a report showing
5 the amount of all gross revenue received during the preceding calendar month.
6 Each report must be accompanied by:

7 (a) The fee due based on the revenue of the month covered by the report; and

8 (b) An adjustment for the difference between the estimated fee previously paid
9 for the month covered by the report, if any, and the fee due for the actual gross
10 revenue earned in that month. If the adjustment is less than zero, a credit must be
11 applied to the estimated fee due with that report.

12 ~~7.6.~~ If the amount of license fees required to be reported and paid pursuant
13 to this section is later determined to be greater or less than the amount actually
14 reported and paid, the Commission shall:

15 (a) Charge and collect the additional license fees determined to be due, with
16 interest thereon until paid; or

17 (b) Refund any overpayment to the person entitled thereto pursuant to this
18 chapter, with interest thereon.

19 Interest pursuant to paragraph (a) must be computed at the rate prescribed in
20 NRS 17.130 from the first day of the first month following the due date of the
21 additional license fees until paid. Interest pursuant to paragraph (b) must be
22 computed at one-half the rate prescribed in NRS 17.130 from the first day of the
23 first month following the date of overpayment until paid.

24 ~~8.7.~~ Failure to pay the fees provided for in this section shall be deemed a
25 surrender of the license at the expiration of the period for which the estimated
26 payment of fees has been made, as established in subsection 2.

27 ~~9.8.~~ Except as otherwise provided in NRS 463.386, the amount of the fee
28 prescribed in subsection 1 must not be prorated.

29 ~~10.9.~~ Except as otherwise provided in NRS 463.386, if a licensee ceases
30 operation, the Commission shall:

31 (a) Charge and collect the additional license fees determined to be due with
32 interest computed pursuant to paragraph (a) of subsection ~~7.6~~ 6; or

33 (b) Refund any overpayment to the licensee with interest computed pursuant to
34 paragraph (b) of subsection ~~7.6~~ 6,

35 based upon the gross revenue of the licensee during the last 3 months
36 immediately preceding the cessation of operation, or portions of those last 3
37 months.

38 ~~11.10.~~ If in any month, the amount of gross revenue is less than zero, the
39 licensee may offset the loss against gross revenue in succeeding months until the
40 loss has been fully offset.

41 ~~12.11.~~ If in any month, the amount of the license fee due is less than zero,
42 the licensee is entitled to receive a credit against any license fees due in succeeding
43 months until the credit has been fully offset.

44 **Sec. 16.** NRS 463.3715 is hereby amended to read as follows:

45 463.3715 1. In calculating gross revenue, any prizes, premiums, drawings,
46 benefits or tickets that are redeemable for money or merchandise or other
47 promotional allowance, except money or tokens paid at face value directly to a
48 patron as the result of a specific wager, must not be deducted as losses from
49 winnings at any game except a slot machine.

50 2. In calculating gross revenue, the amount of cash paid to fund periodic
51 payments may be deducted as losses from winnings for any game.

52 3. In calculating gross revenue from slot machines, keno and bingo, the actual
53 cost to the licensee of any personal property distributed to a patron as the result of a

1 specific legitimate wager may be deducted as a loss, but not travel expenses, food,
2 refreshments, lodging or services.

3 4. In calculating gross revenue from bingo, a licensee who provides a patron
4 with additional play at bingo as the result of an initial wager may deduct as losses
5 from winnings all money or tokens paid directly to that patron as a result of such
6 additional play.

7 ~~{5. In calculating gross revenue, a licensee may deduct its pro rata share of a
8 payout from a game played in an inter casino linked system except for a payout
9 made in conjunction with a card game. The amount of the deduction must be
10 determined based upon the written agreement among the licensed gaming
11 establishments participating in the inter casino linked system and the operator of
12 the system. All cash prizes and the value of noncash prizes awarded during a
13 contest or tournament conducted in conjunction with an inter casino linked system
14 are also deductible on a pro rata basis to the extent of the compensation received for
15 the right to participate in that contest or tournament. The deductions may be taken
16 only by those participating licensed gaming establishments that held an active
17 gaming license at any time during the month in which the payout was awarded.}~~

18 **Sec. 17.** NRS 463.375 is hereby amended to read as follows:

19 463.375 1. In addition to any other state gaming license fees provided for in
20 this chapter, before issuing a state gaming license to an applicant for a nonrestricted
21 operation, the Commission shall charge and collect from the applicant a license fee
22 of \$80 for each slot machine for each calendar year.

23 2. The Commission shall charge and collect the fee prescribed in subsection
24 1, at the rate of \$20 for each slot machine for each calendar quarter:

25 (a) On or before the last day of the last month in a calendar quarter, for the
26 ensuing calendar quarter, from a licensee whose operation is continuing.

27 (b) In advance from a licensee who begins operation or puts additional slot
28 machines into play during a calendar quarter.

29 3. Except as provided in NRS 463.386, no proration of the quarterly amount
30 prescribed in subsection 2 may be allowed for any reason.

31 4. The operator of the location where slot machines are situated shall pay the
32 fee prescribed in subsection 1 upon the total number of slot machines situated in
33 that location, whether the machines are owned by one or more licensee-owners.

34 5. Any other person ~~[, including, without limitation, an operator of an inter-~~
35 ~~casino linked system,]~~ who is authorized to receive a share of the revenue from any
36 slot machine that is operated on the premises of a licensee is liable to the licensee
37 for that person's proportionate share of the license fees paid by the licensee
38 pursuant to this section and shall remit or credit the full proportionate share to the
39 licensee on or before the dates set forth in subsection 2. A licensee is not liable to
40 any other person authorized to receive a share of the licensee's revenue from any
41 slot machine that is operated on the premises of a licensee for that person's
42 proportionate share of the license fees to be remitted or credited to the licensee by
43 that person pursuant to this section.

44 **Sec. 18.** NRS 463.385 is hereby amended to read as follows:

45 463.385 1. In addition to any other license fees and taxes imposed by this
46 chapter, there is hereby imposed upon each slot machine operated in this State an
47 annual excise tax of \$250. If a slot machine is replaced by another, the replacement
48 is not considered a different slot machine for the purpose of imposing this tax.

49 2. The Commission shall:

50 (a) Collect the tax annually on or before June 30, as a condition precedent to
51 the issuance of a state gaming license to operate any slot machine for the ensuing
52 fiscal year beginning July 1, from a licensee whose operation is continuing.

1 (b) Collect the tax in advance from a licensee who begins operation or puts
2 additional slot machines into play during the fiscal year, prorated monthly after July
3 31.

4 (c) Include the proceeds of the tax in its reports of state gaming taxes collected.

5 3. Any other person ~~[, including, without limitation, an operator of an inter-~~
6 ~~casino linked system,]~~ who is authorized to receive a share of the revenue from any
7 slot machine that is operated on the premises of a licensee is liable to the licensee
8 for that person's proportionate share of the license fees paid by the licensee
9 pursuant to this section and shall remit or credit the full proportionate share to the
10 licensee on or before the dates set forth in subsection 2. A licensee is not liable to
11 any other person authorized to receive a share of the licensee's revenue from any
12 slot machine that is operated on the premises of a licensee for that person's
13 proportionate share of the license fees to be remitted or credited to the licensee by
14 that person pursuant to this section.

15 4. The Commission shall pay over the tax as collected to the State Treasurer
16 to be deposited to the credit of the State Education Fund, and of the Capital
17 Construction Fund for Higher Education and the Special Capital Construction Fund
18 for Higher Education, which are hereby created in the State Treasury as special
19 revenue funds, in the amounts and to be expended only for the purposes specified in
20 this section, or for any other purpose authorized by the Legislature if sufficient
21 money is available in the Capital Construction Fund for Higher Education and the
22 Special Capital Construction Fund for Higher Education on July 31 of each year to
23 pay the principal and interest due in that fiscal year on the bonds described in
24 subsection 6.

25 5. During each fiscal year, the State Treasurer shall deposit the tax paid over
26 to him or her by the Commission as follows:

27 (a) The first \$5,000,000 of the tax in the Capital Construction Fund for Higher
28 Education;

29 (b) Twenty percent of the tax in the Special Capital Construction Fund for
30 Higher Education; and

31 (c) The remainder of the tax in the State Education Fund.

32 6. There is hereby appropriated from the balance in the Special Capital
33 Construction Fund for Higher Education on July 31 of each year the amount
34 necessary to pay the principal and interest due in that fiscal year on the bonds
35 issued pursuant to section 5 of chapter 679, Statutes of Nevada 1979, as amended
36 by chapter 585, Statutes of Nevada 1981, at page 1251, the bonds authorized to be
37 issued by section 2 of chapter 643, Statutes of Nevada 1987, at page 1503, the
38 bonds authorized to be issued by section 2 of chapter 614, Statutes of Nevada 1989,
39 at page 1377, the bonds authorized to be issued by section 2 of chapter 718,
40 Statutes of Nevada 1991, at page 2382, the bonds authorized to be issued by section
41 2 of chapter 629, Statutes of Nevada 1997, at page 3106, and the bonds authorized
42 to be issued by section 2 of chapter 514, Statutes of Nevada 2013, at page 3391. If
43 in any year the balance in that Fund is not sufficient for this purpose, the remainder
44 necessary is hereby appropriated on July 31 from the Capital Construction Fund for
45 Higher Education. The balance remaining unappropriated in the Capital
46 Construction Fund for Higher Education on August 1 of each year and all amounts
47 received thereafter during the fiscal year must be transferred to the State General
48 Fund for the support of higher education. If bonds described in this subsection are
49 refunded and if the amount required to pay the principal of and interest on the
50 refunding bonds in any fiscal year during the term of the bonds is less than the
51 amount that would have been required in the same fiscal year to pay the principal of
52 and the interest on the original bonds if they had not been refunded, there is
53 appropriated to the Nevada System of Higher Education an amount sufficient to pay

1 the principal of and interest on the original bonds, as if they had not been refunded.
2 The amount required to pay the principal of and interest on the refunding bonds
3 must be used for that purpose from the amount appropriated. The amount equal to
4 the saving realized in that fiscal year from the refunding must be used by the
5 Nevada System of Higher Education to defray, in whole or in part, the expenses of
6 operation and maintenance of the facilities acquired in part with the proceeds of the
7 original bonds.

8 7. After the requirements of subsection 6 have been met for each fiscal year,
9 when specific projects are authorized by the Legislature, money in the Capital
10 Construction Fund for Higher Education and the Special Capital Construction Fund
11 for Higher Education must be transferred by the State Controller and the State
12 Treasurer to the State Public Works Board for the construction of capital
13 improvement projects for the Nevada System of Higher Education, including, but
14 not limited to, capital improvement projects for the community colleges of the
15 Nevada System of Higher Education. As used in this subsection, "construction"
16 includes, but is not limited to, planning, designing, acquiring and developing a site,
17 construction, reconstruction, furnishing, equipping, replacing, repairing,
18 rehabilitating, expanding and remodeling. Any money remaining in either Fund at
19 the end of a fiscal year does not revert to the State General Fund but remains in
20 those Funds for authorized expenditure.

21 8. The money deposited in the State Education Fund under this section must
22 be apportioned as provided in NRS 387.030 among the several school districts and
23 charter schools of the State at the times and in the manner provided by law.

24 9. The Board of Regents of the University of Nevada may use any money in
25 the Capital Construction Fund for Higher Education and the Special Capital
26 Construction Fund for Higher Education for the payment of interest and
27 amortization of principal on bonds and other securities, whether issued before, on
28 or after July 1, 1979, to defray in whole or in part the costs of any capital project
29 authorized by the Legislature.

30 **Sec. 19.** NRS 463.3855 is hereby amended to read as follows:

31 463.3855 1. In addition to any other state license fees imposed by this
32 chapter, the Commission shall, before issuing a state gaming license to an operator
33 of a slot machine route, ~~for an operator of an inter-casino linked system,~~ charge
34 and collect an annual license fee of \$500.

35 2. Each such license must be issued for a calendar year beginning January 1
36 and ending December 31. If the operation of the licensee is continuing, the
37 Commission shall charge and collect the fee on or before December 31 for the
38 ensuing calendar year.

39 3. Except as otherwise provided in NRS 463.386, the fee to be charged and
40 collected under this section is the full annual fee, without regard to the date of
41 application for or issuance of the license.

42 **Sec. 20.** NRS 463.665 is hereby amended to read as follows:

43 463.665 1. The Commission shall, with the advice and assistance of the
44 Board, adopt regulations prescribing:

45 (a) The manner and method for the approval of associated equipment by the
46 Board; and

47 (b) The method and form of any application required by paragraph (a).

48 2. Except as otherwise provided in subsection 4, the regulations adopted
49 pursuant to subsection 1 must:

50 (a) Require persons who manufacture or distribute associated equipment for
51 use in this State to be registered with the Board if such associated equipment:

52 (1) Is directly used in gaming;

1 (2) Has the ability to add or subtract cash, cash equivalents or wagering
2 credits to a game, gaming device or cashless wagering system;

3 (3) Interfaces with and affects the operation of a game, gaming device,
4 cashless wagering system or other associated equipment;

5 (4) Is used directly or indirectly in the reporting of gross revenue; or

6 (5) Is otherwise determined by the Board to create a risk to the integrity of
7 gaming and protection of the public if not regulated;

8 (b) *Require persons who have a significant involvement in the*
9 *manufacturing or distribution of associated equipment, as determined by the*
10 *Commission, to register with the Board;*

11 (c) Establish the degree of review an applicant for registration pursuant to this
12 section must undergo, which level may be different for different forms of
13 associated equipment; and

14 ~~[(e)] (d) Establish fees for the application [,-issuance] and renewal of the~~
15 ~~registration required pursuant to this section . [,- which must not exceed \$1,000 per~~
16 ~~application, issuance or renewal of such registration.]~~

17 3. This section does not apply to:

18 (a) A licensee; or

19 (b) An affiliate of a licensee or an independent contractor as defined by NRS
20 463.01715.

21 4. In addition to requiring a manufacturer or distributor of associated
22 equipment to be registered as set forth in subsections 2 and 3, a manufacturer or
23 distributor of associated equipment who sells, transfers or offers the associated
24 equipment for use or play in Nevada may be required by the Board to file an
25 application for a finding of suitability to be a manufacturer or distributor of
26 associated equipment.

27 5. ~~[In addition to requiring a manufacturer or distributor of associated~~
28 ~~equipment to be registered as set forth in subsections 2 and 3, any person who~~
29 ~~directly or indirectly involves himself or herself in the sale, transfer or offering for~~
30 ~~use or play in Nevada of such associated equipment who is not otherwise required~~
31 ~~to be licensed as a manufacturer or distributor may be required by the Board to file an~~
32 ~~application for a finding of suitability to be a manufacturer or distributor of~~
33 ~~associated equipment.~~

34 ~~—6.] If an application for a finding of suitability is not submitted to the Board~~
35 ~~within 30 days after demand by the Board, it may pursue any remedy or~~
36 ~~combination of remedies provided in this chapter.~~

37 ~~[(7)] 6.~~ Any person who manufactures or distributes associated equipment
38 who has complied with all applicable regulations adopted by the Commission
39 before October 1, 2015, shall be deemed to be registered pursuant to this section.

40 **Sec. 21.** NRS 463.670 is hereby amended to read as follows:

41 463.670 1. The Legislature finds and declares as facts:

42 (a) That the inspection of games, gaming devices, associated equipment,
43 cashless wagering systems ~~[-, inter casino linked systems]~~ and interactive gaming
44 systems is essential to carry out the provisions of this chapter.

45 (b) That the inspection of games, gaming devices, associated equipment,
46 cashless wagering systems ~~[-, inter casino linked systems]~~ and interactive gaming
47 systems is greatly facilitated by the opportunity to inspect components before
48 assembly and to examine the methods of manufacture.

49 (c) That the interest of this State in the inspection of games, gaming devices,
50 associated equipment, cashless wagering systems ~~[-, inter casino linked systems]~~
51 and interactive gaming systems must be balanced with the interest of this State in
52 maintaining a competitive gaming industry in which games can be efficiently and
53 expeditiously brought to the market.

1 2. The Commission may, with the advice and assistance of the Board, adopt
2 and implement procedures that preserve and enhance the necessary balance
3 between the regulatory and economic interests of this State which are critical to the
4 vitality of the gaming industry of this State.

5 3. The Board may inspect every game or gaming device which is
6 manufactured, sold or distributed:

7 (a) For use in this State, before the game or gaming device is put into play.

8 (b) In this State for use outside this State, before the game or gaming device is
9 shipped out of this State.

10 4. The Board may inspect every game or gaming device which is offered for
11 play within this State by a state gaming licensee.

12 5. The Board may inspect all associated equipment, every cashless wagering
13 system ~~[, every inter casino linked system]~~ and every interactive gaming system
14 which is manufactured, sold or distributed for use in this State before the equipment
15 or system is installed or used by a state gaming licensee and at any time while the
16 state gaming licensee is using the equipment or system.

17 6. In addition to all other fees and charges imposed by this chapter, the Board
18 may determine, charge and collect an inspection fee from each manufacturer, seller,
19 distributor or independent testing laboratory which must not exceed the actual cost
20 of inspection and investigation.

21 7. The Commission shall adopt regulations which:

22 (a) Provide for the registration of independent testing laboratories and of each
23 person that owns, operates or has significant involvement with an independent
24 testing laboratory, specify the form of the application required for such registration,
25 set forth the qualifications required for such registration and establish the fees
26 required for the application, the investigation of the applicant and the registration of
27 the applicant.

28 (b) Authorize the Board to utilize independent testing laboratories for the
29 inspection and certification of any game, gaming device, associated equipment,
30 cashless wagering system ~~[, inter casino linked system]~~ or interactive gaming
31 system, or any components thereof.

32 (c) Establish uniform protocols and procedures which the Board and
33 independent testing laboratories must follow during an inspection performed
34 pursuant to subsection 3 or 5, and which independent testing laboratories must
35 follow during the certification of any game, gaming device, associated equipment,
36 cashless wagering system ~~[, inter casino linked system]~~ or interactive gaming
37 system, or any components thereof, for use in this State or for shipment from this
38 State.

39 (d) Allow an application for the registration of an independent testing
40 laboratory to be granted upon the independent testing laboratory's completion of an
41 inspection performed in compliance with the uniform protocols and procedures
42 established pursuant to paragraph (c) and satisfaction of such other requirements
43 that the Board may establish.

44 (e) Provide the standards and procedures for the revocation of the registration
45 of an independent testing laboratory.

46 (f) Provide the standards and procedures relating to the filing of an application
47 for a finding of suitability pursuant to this section and the remedies should a person
48 be found unsuitable.

49 (g) Provide any additional provisions which the Commission deems necessary
50 and appropriate to carry out the provisions of this section and which are consistent
51 with the public policy of this State pursuant to NRS 463.0129.

52 8. The Commission shall retain jurisdiction over any person registered
53 pursuant to this section and any regulation adopted thereto, in all matters relating to

1 a game, gaming device, associated equipment, cashless wagering system ~~[, inter-~~
2 ~~casino linked system]~~ or interactive gaming system, or any component thereof or
3 modification thereto, even if the person ceases to be registered.

4 9. A person registered pursuant to this section is subject to the investigatory
5 and disciplinary proceedings that are set forth in NRS 463.310 to 463.318,
6 inclusive, and shall be punished as provided in those sections.

7 10. The Commission may, upon recommendation of the Board, require the
8 following persons to file an application for a finding of suitability:

9 (a) A registered independent testing laboratory.

10 (b) An employee of a registered independent testing laboratory.

11 (c) An officer, director, partner, principal, manager, member, trustee or direct
12 or beneficial owner of a registered independent testing laboratory or any person that
13 owns or has significant involvement with the activities of a registered independent
14 testing laboratory.

15 11. If a person fails to submit an application for a finding of suitability within
16 30 days after a demand by the Commission pursuant to this section, the
17 Commission may make a finding of unsuitability. Upon written request, such
18 period may be extended by the Chair of the Commission, at the Chair's sole and
19 absolute discretion.

20 12. As used in this section, unless the context otherwise requires,
21 "independent testing laboratory" means a private laboratory that is registered by the
22 Board to inspect and certify games, gaming devices, associated equipment, cashless
23 wagering systems ~~[, inter-casino linked systems]~~ or interactive gaming systems, and
24 any components thereof and modifications thereto, and to perform such other
25 services as the Board and Commission may request.

26 **Sec. 21.5. NRS 368A.200 is hereby amended to read as follows:**

27 368A.200 1. Except as otherwise provided in this section, there is hereby
28 imposed an excise tax on admission to any facility in this State where live
29 entertainment is provided and on the charge for live entertainment provided by an
30 escort at one or more locations in this State. The rate of the tax is:

31 (a) Except as otherwise provided in paragraph (b), for admission to a facility in
32 this State where live entertainment is provided, 9 percent of the admission charge to
33 the facility.

34 (b) For live entertainment provided by an escort who is escorting one or more
35 persons at a location or locations in this State, 9 percent of the total amount,
36 expressed in terms of money, of consideration paid for the live entertainment
37 provided by the escort.

38 2. Amounts paid for:

39 (a) Admission charges collected and retained by a nonprofit religious,
40 charitable, fraternal or other organization that qualifies as a tax-exempt
41 organization pursuant to 26 U.S.C. § 501(c), or by a nonprofit corporation
42 organized or existing under the provisions of chapter 82 of NRS, are not taxable
43 pursuant to this section, only if the number of tickets to the live entertainment
44 which are offered for sale or other distribution to patrons, either directly or
45 indirectly through a partner, subsidiary, client, affiliate or other collaborator, is less
46 than 7,500.

47 (b) Gratuities directly or indirectly remitted to persons employed at a facility
48 where live entertainment is provided are not taxable pursuant to this section.

49 (c) Fees imposed, collected and retained by an independent financial institution
50 in connection with the use of credit cards or debit cards to pay the admission charge
51 to a facility where live entertainment is provided are not taxable pursuant to this
52 section. As used in this paragraph, "independent financial institution" means a

1 financial institution that is not the taxpayer or an owner or operator of the facility
2 where the live entertainment is provided or an affiliate of any of those persons.

3 3. The tax imposed by this section must be added to and collected from the
4 purchaser at the time of purchase, whether or not the admission for live
5 entertainment is purchased for resale. ~~[Each ticket for admission to a facility where
6 live entertainment is provided must show on its face the admission charge or the
7 seller of the admission shall prominently display a notice disclosing the admission
8 charge at the box office or other place where the charge is made.]~~

9 4. The tax imposed by subsection 1 does not apply to:

10 (a) Live entertainment that this State is prohibited from taxing under the
11 Constitution, laws or treaties of the United States or the Nevada Constitution.

12 (b) Live entertainment that is governed by the Nevada Interscholastic
13 Activities Association pursuant to chapter 385B of NRS, or is provided or sponsored
14 by an elementary school, junior high school, middle school or high school, if only
15 pupils or faculty provide the live entertainment.

16 (c) An athletic contest, event, tournament or exhibition provided by an
17 institution of the Nevada System of Higher Education, if students of such an
18 institution are contestants in the contest, event, tournament or exhibition.

19 (d) Live entertainment that is provided by or entirely for the benefit of a
20 nonprofit religious, charitable, fraternal or other organization that qualifies as a tax-
21 exempt organization pursuant to 26 U.S.C. § 501(c), or a nonprofit corporation
22 organized or existing under the provisions of chapter 82 of NRS, only if the number
23 of tickets to the live entertainment which are offered for sale or other distribution to
24 patrons, either directly or indirectly through a partner, subsidiary, client, affiliate or
25 other collaborator, is less than 7,500.

26 (e) Any boxing contest or exhibition governed by the provisions of chapter 467
27 of NRS.

28 (f) Live entertainment that is not provided at a licensed gaming establishment
29 if the facility in which the live entertainment is provided has a maximum
30 occupancy of less than 200 persons.

31 (g) Live entertainment that is provided at a licensed gaming establishment that
32 is licensed for less than 51 slot machines, less than 6 games, or any combination of
33 slot machines and games within those respective limits, if the facility in which the
34 live entertainment is provided has a maximum occupancy of less than 200 persons.

35 (h) Live entertainment that is provided at a trade show.

36 (i) Music performed by musicians who move constantly through the audience
37 if no other form of live entertainment is afforded to the patrons.

38 (j) Live entertainment that is provided at a licensed gaming establishment at
39 private meetings or dinners attended by members of a particular organization or by
40 a casual assemblage if the purpose of the event is not primarily for entertainment.

41 (k) Live entertainment that is provided in the common area of a shopping mall,
42 unless the entertainment is provided in a facility located within the mall.

43 (l) Food and product demonstrations provided at a shopping mall, a craft show
44 or an establishment that sells grocery products, housewares, hardware or other
45 supplies for the home.

46 (m) Live entertainment that is incidental to an amusement ride, a motion
47 simulator or a similar digital, electronic, mechanical or electromechanical
48 attraction. For the purposes of this paragraph, live entertainment shall be deemed to
49 be incidental to an amusement ride, a motion simulator or a similar digital,
50 electronic, mechanical or electromechanical attraction if the live entertainment is:

51 (1) Not the predominant element of the attraction; and

52 (2) Not the primary purpose for which the public rides, attends or
53 otherwise participates in the attraction.

1 (n) A race scheduled at a race track in this State and sanctioned by the National
 2 Association for Stock Car Auto Racing, if two or more such races are held at that
 3 race track during the same calendar year.

4 (o) An athletic contest, event or exhibition conducted by a professional team
 5 based in this State if the professional team based in this State is a participant in the
 6 contest, event or exhibition.

7 5. As used in this section:

8 (a) "Affiliate" has the meaning ascribed to it in NRS 463.0133.

9 (b) "Maximum occupancy" means, in the following order of priority:

10 (1) The maximum occupancy of the facility in which live entertainment is
 11 provided, as determined by the State Fire Marshal or the local governmental agency
 12 that has the authority to determine the maximum occupancy of the facility;

13 (2) If such a maximum occupancy has not been determined, the maximum
 14 occupancy of the facility designated in any permit required to be obtained in order
 15 to provide the live entertainment; or

16 (3) If such a permit does not designate the maximum occupancy of the
 17 facility, the actual seating capacity of the facility in which the live entertainment is
 18 provided.

19 (c) "Operator" includes, without limitation, a person who operates a facility
 20 where live entertainment is provided or who presents, produces or otherwise
 21 provides live entertainment.

22 **Sec. 22.** (Deleted by amendment.)

23 **Sec. 22.5.** Section I of this act applies to any game or gambling game which
 24 has not been approved on or after July 1, 2021.

25 **Sec. 23.** NRS 463.01805, 463.306 and 463.800 are hereby repealed.

26 **Sec. 24.** This act becomes effective on July 1, 2021.

TEXT OF REPEALED SECTIONS

463.01805 "Operator of an inter-casino linked system" defined.

463.01805 "Operator of an inter-casino linked system" means a person who, under any agreement whereby consideration is paid or payable for the right to place an inter-casino linked system, engages in the business of placing and operating an inter-casino linked system upon the premises of two or more licensed gaming establishments, and who is authorized to share in the revenue from the linked games without having been individually licensed to conduct gaming at the establishment.

463.306 Availability of inter-casino linked system to certain nonrestricted licensees.

463.306 1. If an operator of an inter-casino linked system makes the inter-casino linked system available to a nonrestricted licensee, other than during a trial period, the operator shall also make the inter-casino linked system available to any other eligible nonrestricted licensee subject to the provisions of this chapter and reasonable production and delivery schedules. For purposes of this section, a nonrestricted licensee shall be deemed to be eligible if the licensee is a Group I licensee or a Group II licensee, as determined pursuant to the regulations of the Commission and otherwise meets the requirements of the Commission regarding locations for games that are part of an inter-casino linked system.

2. The provisions of subsection 1 do not prevent the imposition by an operator of an inter-casino linked system of different terms and conditions, including prices, based on:

(a) The quantity or volume of gaming devices connected to an inter-casino linked system that are sold or leased to a licensee or to affiliated licensees by the operator; or

(b) Credit considerations.

463.800 Requirements; records of business entity; prohibited acts; regulations.

463.800 1. A race book or sports pool may accept wagers from a business entity if the business entity has established a wagering account with the race book or sports pool and provided the information required pursuant to subsection 2. The business entity shall:

(a) Be deemed to be a patron for the purposes of this chapter and chapter 465 of NRS.

(b) Place wagers in compliance with all applicable state and federal laws.

2. A business entity that wishes to establish a wagering account with a race book or sports pool shall provide to the race book or sports pool:

(a) The name, residential address, copy of a valid photo identification which evidences that the person is at least 21 years of age, and social security number or individual taxpayer identification number, of each of the business entity's equity owners, holders of indebtedness, directors, officers, managers and partners, anyone entitled to payments based on the profits or revenues and any designated individuals;

(b) The business entity's formation documents and all filings with the Secretary of State pursuant to title 7 of NRS;

(c) Any other documentation or information the Commission may require; and

(d) Any other documentation or information the race book or sports pool may require.

3. A business entity shall update the information provided pursuant to subsection 2 within 5 business days after any change in the information or status.

4. A business entity shall:

(a) In addition to the books and records required by law to be kept in this State, keep in this State originals or copies of the records received from the race book or sports pool for all wagers placed;

(b) Maintain an account in this State with a bank or other financial institution having a principal office, branch or agency located in this State, from which it shall transfer and receive all money used in wagering with an operator of a race book or sports pool; and

(c) Make any records pursuant to this subsection available for review by the Board or its agents.

5. Notwithstanding the provisions of NRS 463.350, a race book or sports pool may accept wagers from a designated individual of a business entity which has established a wagering account with the race book or sports pool.

6. A business entity and any designated individual that places a wager with a race book or sports pool pursuant to this section must not be considered to be engaged in the unlawful accepting or facilitating of any bet or wager.

7. It is unlawful for any person either solely or in conjunction with others:

(a) To knowingly pay or distribute profits or any compensation to a designated individual or equity owner who is not disclosed to the race book or sports pool pursuant to subsection 2;

(b) To knowingly pay or distribute a percentage of revenue derived from the wagering activity of a business entity to a person who is not disclosed to the race book or sports pool pursuant to subsection 2;

(c) To wager with money received from a person who is not disclosed to the race book or sports pool pursuant to subsection 2;

(d) To place a wager on behalf of a person who is not disclosed to the race book or sports pool pursuant to subsection 2; or

(e) To knowingly submit any false information as required by this section.

8. The Commission may, with the advice and assistance of the Board, adopt regulations as it deems necessary to carry out the provisions of this section.

9. As used in this section:

(a) "Business entity" means an entity organized and existing under the laws of this State.

(b) "Designated individual" means a person listed as an officer, director, partner or manager of a business entity in the business entity's filings with the Secretary of State pursuant to title 7 of NRS, and any other natural person authorized by the business entity in writing to place wagers.