

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.

~

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

AN ACT relating to 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:

- 1 Existing law authorizes the Nevada Gaming Commission to issue licenses to
- 2 certain persons for the operation of inter-casino linked systems. (NRS 463.170)
- 3 Existing law requires an operator of an inter-casino linked system to pay an initial
- 4 licensing fee of \$500 and an annual renewal fee of \$500, in addition to the
- 5 proportionate share of certain other licensing fees. (NRS 463.245, 463.370,
- 6 463.3715, 463.375, 463.385, 463.3855) Existing law defines an “operator of an
- 7 inter-casino linked system” as a person who under certain agreements places and
- 8 operates an inter-casino linked system upon the premises of two or more licensed
- 9 gaming establishments and who is authorized to share in the revenue from the



10 linked games without needing a license to conduct gaming at the establishment.
11 (NRS 463.01805) Moreover, existing law defines an “inter-casino linked system”
12 as a network of electronically interfaced similar games located at two or more
13 licensed gaming establishments and linked to conduct gaming activities, contests or
14 tournaments. (NRS 463.01643)

15 Existing law defines “associated equipment” as any equipment or certain
16 contrivances, components or machines used remotely or directly in connection with
17 gaming, any game, race book or sports pool that would not otherwise be classified
18 as a gaming device. (NRS 463.0136) Existing law defines “manufacturer” to mean
19 any person who operates, carries on, conducts or maintains any form of
20 manufacture. (NRS 463.0172) Moreover, existing law defines “manufacture” to
21 include: (1) manufacturing, producing, programming, designing, controlling the
22 design of or making modifications to associated equipment; (2) directing or
23 controlling the methods and processes used to design, develop, program, assemble,
24 produce, fabricate, compose and combine the components and other tangible
25 objects of associated equipment; (3) assembling, or controlling the assembly of
26 associated equipment; or (4) assuming responsibility for any such act.
27 (NRS 463.01715)

28 **Section 2** of this bill revises the definition of “associated equipment” to include
29 inter-casino linked systems, thereby making inter-casino linked systems subject to
30 the same regulation and control as associated equipment, except that **section 9** of
31 this bill retains certain provisions related to the authority of the Commission to
32 adopt certain regulations related to inter-casino linked systems. **Sections 1.5, 4, 6-8,**
33 **10-13, 15-19, 21 and 23** of this bill remove or repeal all other provisions with
34 individual references to inter-casino linked systems.

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

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



64 “game” or “gambling game” relating to the procedures established in **section 1.**
65 **Section 3** also removes certain games from the definition.

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

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

77 Existing law requires: (1) each ticket for admission to a facility where live
78 entertainment is provided to show the admission charge on its face; or (2) the seller
79 of the admission to prominently display a notice disclosing the admission charge at
80 the box office or other place where the charge is made. (NRS 368A.200) **Section**
81 **21.5** of this bill removes this requirement.

82 Existing law authorizes certain business entities to place race book and sports
83 pool wagers under certain circumstances. Existing law also authorizes the
84 Commission to adopt regulations governing the acceptance of such wagers. (NRS
85 463.800) **Section 23** of this bill repeals this provision. **Section 14** of this bill makes
86 a conforming change to reflect the 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
2 thereto a new section to read as follows:

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

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

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

19 *4. The Commission shall adopt regulations governing the*
20 *approval of games or gambling games.*



1 **Sec. 1.5.** NRS 463.0129 is hereby amended to read as follows:
2 463.0129 1. The Legislature hereby finds, and declares to be
3 the public policy of this state, that:

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

6 (b) The continued growth and success of gaming is dependent
7 upon public confidence and trust that licensed gaming and the
8 manufacture, sale and distribution of gaming devices and associated
9 equipment are conducted honestly and competitively, that
10 establishments which hold restricted and nonrestricted licenses
11 where gaming is conducted and where gambling devices are
12 operated do not unduly impact the quality of life enjoyed by
13 residents of the surrounding neighborhoods, that the rights of the
14 creditors of licensees are protected and that gaming is free from
15 criminal and corruptive elements.

16 (c) Public confidence and trust can only be maintained by strict
17 regulation of all persons, locations, practices, associations and
18 activities related to the operation of licensed gaming establishments
19 ~~[] and~~ the manufacture, sale or distribution of gaming devices and
20 associated equipment . ~~[and the operation of inter casino linked~~
21 ~~systems.]~~

22 (d) All establishments where gaming is conducted and where
23 gaming devices are operated, and manufacturers, sellers and
24 distributors of certain gaming devices and equipment ~~[, and~~
25 ~~operators of inter casino linked systems]~~ must therefore be licensed,
26 controlled and assisted to protect the public health, safety, morals,
27 good order and general welfare of the inhabitants of the State, to
28 foster the stability and success of gaming and to preserve the
29 competitive economy and policies of free competition of the State of
30 Nevada.

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

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

42 3. This section does not:

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



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

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

4 463.0136 “Associated equipment” means any equipment or
5 mechanical ~~[,—electromechanical]~~ or electronic contrivance,
6 component or machine used remotely or directly in connection with
7 gaming, any game, race book or sports pool that would not
8 otherwise be classified as a gaming device, including dice, playing
9 cards, links which connect to progressive slot machines, *inter-*
10 *casino linked systems*, equipment which affects the proper reporting
11 of gross revenue, computerized systems of betting at a race book or
12 sports pool, computerized systems for monitoring slot machines and
13 devices for weighing or counting money.

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

15 463.0152 1. “Game” or “gambling game” means any game
16 played with cards, dice, equipment or any mechanical ~~[~~
17 ~~electromechanical]~~ or electronic device or machine for money,
18 property, checks, credit or any representative of value, including,
19 without limiting the generality of the foregoing, faro, monte,
20 roulette, keno, bingo, fan-tan, twenty-one, blackjack, seven-and-a-
21 half, ~~[big-injun,]~~ klondike, craps, poker, chuck-a-luck, ~~[Chinese~~
22 ~~chuck-a-luck (dai-shu)],~~ wheel of fortune, chemin de fer, baccarat,
23 pai gow, beat the banker, panguingui, slot machine, any banking or
24 percentage game or any other game or device approved by the
25 Commission, *upon the recommendation of the Board*, ~~[but]~~
26 *pursuant to section 1 of this act.*

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

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

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

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

34 463.0153 “Gaming” or “gambling” means to deal, operate,
35 carry on, conduct, maintain or expose for play any game as defined
36 in NRS 463.0152 . ~~[,—or to operate an inter-casino linked system.]~~

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

38 463.0155 “Gaming device” means any object used remotely or
39 directly in connection with gaming or any game which affects the
40 result of a wager by determining win or loss and which does not
41 otherwise constitute associated equipment. The term includes,
42 without limitation:

- 43 1. A slot machine.
- 44 2. Mobile gaming.
- 45 3. A collection of two or more of the following components:



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

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

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

8 (d) An assembled mechanical ~~for electromechanical~~ unit which
9 cannot be demonstrated to have any use other than in a slot machine.

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

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

16 6. A control program.

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

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

25 9. As used in this section:

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

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



1 **Sec. 6.** NRS 463.0157 is hereby amended to read as follows:
2 463.0157 1. "Gaming employee" means any person
3 connected directly with an operator of a slot route, the operator of a
4 pari-mutuel system ~~[, the operator of an inter-casino linked system]~~
5 or a manufacturer, distributor or disseminator, or with the operation
6 of a gaming establishment licensed to conduct any game, 16 or more
7 slot machines, a race book, sports pool or pari-mutuel wagering,
8 including:

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

12 (b) Boxpersons;

13 (c) Cashiers;

14 (d) Change personnel;

15 (e) Counting room personnel;

16 (f) Dealers;

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

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

23 (i) Employees whose duties are directly involved with the
24 manufacture, repair, sale or distribution of gaming devices,
25 associated equipment when the employer is required by NRS
26 463.650 to be licensed, cashless wagering systems or interactive
27 gaming systems;

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

30 (k) Employees of operators of ~~[inter-casino linked systems or]~~
31 interactive gaming systems whose duties include the operational or
32 supervisory control of the systems or the games that are part of the
33 systems;

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

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

42 (n) Floorpersons;

43 (o) Hosts or other persons empowered to extend credit or
44 complimentary services;

45 (p) Keno runners;



- 1 (q) Keno writers;
- 2 (r) Machine mechanics;
- 3 (s) Odds makers and line setters;
- 4 (t) Security personnel;
- 5 (u) Shift or pit bosses;
- 6 (v) Shifts;
- 7 (w) Supervisors or managers;
- 8 (x) Ticket writers;
- 9 (y) Employees of a person required by NRS 463.160 to be
10 licensed to operate an information service;

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

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

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

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

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

25 463.0177 "Nonrestricted license" or "nonrestricted operation"
26 means:

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

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

32 3. A license for, or the operation of, a slot machine route. ~~;~~

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

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

36 463.120 1. The Board and the Commission shall cause to be
37 made and kept a record of all proceedings at regular and special
38 meetings of the Board and the Commission. These records are open
39 to public inspection.

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

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



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

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

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

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

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

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

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

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

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

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

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



1 United States Government, any state or any political subdivision of
2 a state or the government of any foreign country.

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

8 (a) All such information and data are confidential and privileged
9 and the confidentiality and privilege are not waived if the
10 information and data are shared or have been shared with an
11 authorized agent of any agency of the United States Government,
12 any state or any political subdivision of a state or the government of
13 any foreign country in connection with its regulatory, investigative
14 or enforcement authority, regardless of whether such information
15 and data are shared or have been shared either before or after being
16 provided or communicated to an agent or employee of the Board or
17 Commission; and

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

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

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

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

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

39 11. For the purposes of this section, "information and data"
40 means all information and data in any form, including, without
41 limitation, any oral, written, audio, visual, digital or electronic form,
42 and the term includes, without limitation, any account, book,
43 correspondence, file, message, paper, record, report or other type of
44 document, including, without limitation, any document containing
45 self-evaluative assessments, self-critical analysis or self-appraisals



1 of an applicant's or licensee's compliance with statutory or
2 regulatory requirements.

3 **Sec. 9.** NRS 463.15993 is hereby amended to read as follows:
4 463.15993 1. The Commission shall adopt regulations
5 governing the approval and operation of inter-casino linked systems
6 and the ~~[licensing]~~ *approval* of the operators of such systems.

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

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

11 (b) Requirements for the:

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

15 (2) Establishment of a minimum rate of progression of the
16 primary jackpot meter.

17 (c) Criteria for multiple ~~[licensing]~~ *approvals* of inter-casino
18 linked systems and the operators of inter-casino linked systems.

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

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

23 463.160 1. Except as otherwise provided in subsection ~~[4]~~ **3**
24 and NRS 462.155 and 463.172, it is unlawful for any person, either
25 as owner, lessee or employee, whether for hire or not, either solely
26 or in conjunction with others:

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

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

31 (c) To operate a gaming salon;

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

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

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

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

44 2. ~~[The licensure of an operator of an inter-casino linked~~
45 ~~system is not required if:~~



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

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

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

12 ~~[4.]~~ 3. The Commission may, by regulation, authorize a person
13 to own or lease gaming devices for the limited purpose of display or
14 use in the person's private residence without procuring a state
15 gaming license.

16 ~~[5.]~~ 4. For the purposes of this section, the operation of a race
17 book or sports pool includes making the premises available for any
18 of the following purposes:

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

21 (b) Accepting wagers from patrons;

22 (c) Allowing patrons to place wagers;

23 (d) Paying winning wagers to patrons; or

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

28 ➔ whether by a transaction in person at an establishment or through
29 mechanical means, such as a kiosk or similar device, regardless of
30 whether that device would otherwise be considered associated
31 equipment. A separate license must be obtained for each location at
32 which such an operation is conducted.

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

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

36 463.170 1. Any person who the Commission determines is
37 qualified to receive a license, to be found suitable or to receive any
38 approval required under the provisions of this chapter, or to be
39 found suitable regarding the operation of a charitable lottery under
40 the provisions of chapter 462 of NRS, having due consideration for
41 the proper protection of the health, safety, morals, good order and
42 general welfare of the inhabitants of the State of Nevada and the
43 declared policy of this State, may be issued a state gaming license,
44 be found suitable or receive any approval required by this chapter,
45 as appropriate. The burden of proving an applicant's qualification to



1 receive any license, be found suitable or receive any approval
2 required by this chapter is on the applicant.

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

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

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

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

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

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

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

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

23 (2) From a suitable source.

24 ➤ Any lender or other source of money or credit which the
25 Commission finds does not meet the standards set forth in
26 subsection 2 may be deemed unsuitable.

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

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

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

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

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

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



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

10 7. The Commission may, by regulation:

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

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

19 8. Any person granted a license or found suitable by the
20 Commission shall continue to meet the applicable standards and
21 qualifications set forth in this section and any other qualifications
22 established by the Commission by regulation. The failure to
23 continue to meet such standards and qualifications constitutes
24 grounds for disciplinary action.

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

26 463.245 1. Except as otherwise provided in this section:

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

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

35 2. A person who has been issued a nonrestricted gaming
36 license for an operation described in subsection 1 or 2 of NRS
37 463.0177 may establish a sports pool or race book on the premises
38 of the establishment only after obtaining permission from the
39 Commission.

40 3. A person who has been issued a license to operate a sports
41 pool or race book at an establishment may be issued a license to
42 operate a sports pool or race book at a second establishment
43 described in subsection 1 or 2 of NRS 463.0177 only if the second
44 establishment is operated by a person who has been issued a
45 nonrestricted license for that establishment. A person who has been



1 issued a license to operate a race book or sports pool at an
2 establishment is prohibited from operating a race book or sports
3 pool at:

- 4 (a) An establishment for which a restricted license has been
5 granted; or
- 6 (b) An establishment at which only a nonrestricted license has
7 been granted for an operation described in subsection 3 ~~for 4~~ of
8 NRS 463.0177.

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

- 15 (a) An affiliated licensed race book or sports pool; or
- 16 (b) The licensee of an establishment at which the race book or
17 sports pool holds or obtains a license to operate pursuant to this
18 section.

19 ↪ This subsection does not prohibit an operator of a race book or
20 sports pool from entering into an agreement with another person for
21 the provision of shared services relating to advertising or marketing.

22 5. ~~Nothing in this section limits or prohibits an operator of an
23 inter-casino linked system from placing and operating such a system
24 on the premises of two or more gaming licensees and receiving,
25 either directly or indirectly, any compensation or any percentage or
26 share of the money or property played from the linked games in
27 accordance with the provisions of this chapter and the regulations
28 adopted by the Commission. An inter-casino linked system must not
29 be used to link games other than slot machines, unless such games
30 are located at an establishment that is licensed for games other than
31 slot machines.~~

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

- 35 (a) Allowing patrons to establish an account for wagering with
36 the race book or sports pool;
- 37 (b) Accepting wagers from patrons;
- 38 (c) Allowing patrons to place wagers;
- 39 (d) Paying winning wagers to patrons; or
- 40 (e) Allowing patrons to withdraw cash from an account for
41 wagering or to be issued a ticket, receipt, representation of value or
42 other credit representing a withdrawal from an account for wagering
43 that can be redeemed for cash,

44 ↪ whether by a transaction in person at an establishment or through
45 mechanical means such as a kiosk or other similar device, regardless



1 of whether that device would otherwise be considered associated
2 equipment.

3 ~~[7.]~~ 6. The provisions of this section do not apply to a license
4 to operate interactive gaming.

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

6 463.305 1. Any person who operates or maintains in this
7 State any gaming device of a specific model ~~[.]~~ or any gaming
8 device which includes a significant modification ~~for any inter-casino~~
9 ~~linked-system]~~ which the Board or Commission has not approved
10 for testing or for operation is subject to disciplinary action by the
11 Board or Commission.

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

14 3. If the Board suspends or revokes approval of a gaming
15 device pursuant to the regulations adopted pursuant to subsection 4,
16 the Board may order the removal of the gaming device from an
17 establishment.

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

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

22 463.360 1. Conviction by a court of competent jurisdiction of
23 a person for a violation of, an attempt to violate, or a conspiracy to
24 violate any of the provisions of this chapter or of chapter 463B, 464
25 or 465 of NRS may act as an immediate revocation of all licenses
26 which have been issued to the violator, and, in addition, the court
27 may, upon application of the district attorney of the county or of the
28 Commission, order that no new or additional license under this
29 chapter be issued to the violator, or be issued to any person for the
30 room or premises in which the violation occurred, for 1 year after
31 the date of the revocation.

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

39 3. Except as otherwise provided in subsection 4, a person who
40 willfully violates, attempts to violate, or conspires to violate any of
41 the provisions of subsection 1 of NRS 463.160 ~~for NRS 463.800]~~ is
42 guilty of a category B felony and shall be punished by imprisonment
43 in the state prison for a minimum term of not less than 1 year and a
44 maximum term of not more than 10 years, by a fine of not more than
45 \$50,000, or by both fine and imprisonment.



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

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

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

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

13 463.370 1. Except as otherwise provided in NRS 463.373,
14 the Commission shall charge and collect from each licensee a
15 license fee based upon all the gross revenue of the licensee as
16 follows:

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

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

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

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

32 3. When a licensee has been operating for less than a full
33 calendar month, the Commission shall charge and collect the fee
34 prescribed in subsection 1, based on the gross revenue received
35 during that month, on or before the 15th day of the following
36 calendar month of operation. After the first full calendar month of
37 operation, the Commission shall charge and collect the fee based on
38 the gross revenue received during that month, on or before the 15th
39 day of the following calendar month. The payment of the fee due for
40 the first full calendar month of operation must be accompanied by
41 the payment of a fee equal to three times the fee for the first full
42 calendar month. This additional amount is an estimated payment of
43 the license fees for the next 3 calendar months. Thereafter, each
44 license fee must be paid in the manner described in subsection 2.



1 Any deposit held by the Commission on July 1, 1969, must be
2 treated as an advance estimated payment.

3 4. All revenue received from any game or gaming device
4 which is operated on the premises of a licensee, regardless of
5 whether any portion of the revenue is shared with any other person,
6 must be attributed to the licensee for the purposes of this section and
7 counted as part of the gross revenue of the licensee. Any other
8 person ~~[, including, without limitation, an operator of an inter-casino~~
9 ~~linked system,]~~ who is authorized to receive a share of the revenue
10 from any game ~~[,]~~ or gaming device ~~[or inter-casino linked system]~~
11 that is operated on the premises of a licensee is liable to the licensee
12 for that person's proportionate share of the license fees paid by the
13 licensee pursuant to this section and shall remit or credit the full
14 proportionate share to the licensee on or before the 15th day of each
15 calendar month. ~~[The proportionate share of an operator of an inter-~~
16 ~~casino linked system must be based on all compensation and other~~
17 ~~consideration received by the operator of the inter-casino linked~~
18 ~~system, including, without limitation, amounts that accrue to the~~
19 ~~meter of the primary progressive jackpot of the inter-casino linked~~
20 ~~system and amounts that fund the reserves of such a jackpot, subject~~
21 ~~to all appropriate adjustments for deductions, credits, offsets and~~
22 ~~exclusions that the licensee is entitled to take or receive pursuant to~~
23 ~~the provisions of this chapter.]~~ A licensee is not liable to any other
24 person authorized to receive a share of the licensee's revenue from
25 any game ~~[,]~~ or gaming device ~~[or inter-casino linked system]~~ that is
26 operated on the premises of the licensee for that person's
27 proportionate share of the license fees to be remitted or credited to
28 the licensee by that person pursuant to this section.

29 5. ~~[An operator of an inter-casino linked system shall not enter~~
30 ~~into any agreement or arrangement with a licensee that provides for~~
31 ~~the operator of the inter-casino linked system to be liable to the~~
32 ~~licensee for less than its full proportionate share of the license fees~~
33 ~~paid by the licensee pursuant to this section, whether accomplished~~
34 ~~through a rebate, refund, charge back or otherwise.~~

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

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

42 (b) An adjustment for the difference between the estimated fee
43 previously paid for the month covered by the report, if any, and the
44 fee due for the actual gross revenue earned in that month. If



1 the adjustment is less than zero, a credit must be applied to the
2 estimated fee due with that report.

3 ~~[7:] 6.~~ If the amount of license fees required to be reported and
4 paid pursuant to this section is later determined to be greater or less
5 than the amount actually reported and paid, the Commission shall:

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

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

10 ↪ Interest pursuant to paragraph (a) must be computed at the rate
11 prescribed in NRS 17.130 from the first day of the first month
12 following the due date of the additional license fees until paid.
13 Interest pursuant to paragraph (b) must be computed at one-half the
14 rate prescribed in NRS 17.130 from the first day of the first month
15 following the date of overpayment until paid.

16 ~~[8:] 7.~~ Failure to pay the fees provided for in this section shall
17 be deemed a surrender of the license at the expiration of the period
18 for which the estimated payment of fees has been made, as
19 established in subsection 2.

20 ~~[9:] 8.~~ Except as otherwise provided in NRS 463.386, the
21 amount of the fee prescribed in subsection 1 must not be prorated.

22 ~~[10:] 9.~~ Except as otherwise provided in NRS 463.386, if a
23 licensee ceases operation, the Commission shall:

24 (a) Charge and collect the additional license fees determined to
25 be due with interest computed pursuant to paragraph (a) of
26 subsection ~~[7:] 6;~~ or

27 (b) Refund any overpayment to the licensee with interest
28 computed pursuant to paragraph (b) of subsection ~~[7:] 6,~~

29 ↪ based upon the gross revenue of the licensee during the last 3
30 months immediately preceding the cessation of operation, or
31 portions of those last 3 months.

32 ~~[11:] 10.~~ If in any month, the amount of gross revenue is less
33 than zero, the licensee may offset the loss against gross revenue in
34 succeeding months until the loss has been fully offset.

35 ~~[12:] 11.~~ If in any month, the amount of the license fee due is
36 less than zero, the licensee is entitled to receive a credit against any
37 license fees due in succeeding months until the credit has been fully
38 offset.

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

40 463.3715 1. In calculating gross revenue, any prizes,
41 premiums, drawings, benefits or tickets that are redeemable for
42 money or merchandise or other promotional allowance, except
43 money or tokens paid at face value directly to a patron as the result
44 of a specific wager, must not be deducted as losses from winnings at
45 any game except a slot machine.



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

4 3. In calculating gross revenue from slot machines, keno and
5 bingo, the actual cost to the licensee of any personal property
6 distributed to a patron as the result of a specific legitimate wager
7 may be deducted as a loss, but not travel expenses, food,
8 refreshments, lodging or services.

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

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

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

28 463.375 1. In addition to any other state gaming license fees
29 provided for in this chapter, before issuing a state gaming license to
30 an applicant for a nonrestricted operation, the Commission shall
31 charge and collect from the applicant a license fee of \$80 for each
32 slot machine for each calendar year.

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

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

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

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

44 4. The operator of the location where slot machines are situated
45 shall pay the fee prescribed in subsection 1 upon the total number of



1 slot machines situated in that location, whether the machines are
2 owned by one or more licensee-owners.

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

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

16 463.385 1. In addition to any other license fees and taxes
17 imposed by this chapter, there is hereby imposed upon each slot
18 machine operated in this State an annual excise tax of \$250. If a slot
19 machine is replaced by another, the replacement is not considered a
20 different slot machine for the purpose of imposing this tax.

21 2. The Commission shall:

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

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

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

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

43 4. The Commission shall pay over the tax as collected to the
44 State Treasurer to be deposited to the credit of the State Education
45 Fund, and of the Capital Construction Fund for Higher Education



1 and the Special Capital Construction Fund for Higher Education,
2 which are hereby created in the State Treasury as special revenue
3 funds, in the amounts and to be expended only for the purposes
4 specified in this section, or for any other purpose authorized by the
5 Legislature if sufficient money is available in the Capital
6 Construction Fund for Higher Education and the Special Capital
7 Construction Fund for Higher Education on July 31 of each year to
8 pay the principal and interest due in that fiscal year on the bonds
9 described in subsection 6.

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

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

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

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

17 6. There is hereby appropriated from the balance in the Special
18 Capital Construction Fund for Higher Education on July 31 of each
19 year the amount necessary to pay the principal and interest due in
20 that fiscal year on the bonds issued pursuant to section 5 of chapter
21 679, Statutes of Nevada 1979, as amended by chapter 585, Statutes
22 of Nevada 1981, at page 1251, the bonds authorized to be issued by
23 section 2 of chapter 643, Statutes of Nevada 1987, at page 1503, the
24 bonds authorized to be issued by section 2 of chapter 614, Statutes
25 of Nevada 1989, at page 1377, the bonds authorized to be issued by
26 section 2 of chapter 718, Statutes of Nevada 1991, at page 2382, the
27 bonds authorized to be issued by section 2 of chapter 629, Statutes
28 of Nevada 1997, at page 3106, and the bonds authorized to be issued
29 by section 2 of chapter 514, Statutes of Nevada 2013, at page 3391.
30 If in any year the balance in that Fund is not sufficient for this
31 purpose, the remainder necessary is hereby appropriated on July 31
32 from the Capital Construction Fund for Higher Education. The
33 balance remaining unappropriated in the Capital Construction Fund
34 for Higher Education on August 1 of each year and all amounts
35 received thereafter during the fiscal year must be transferred to the
36 State General Fund for the support of higher education. If bonds
37 described in this subsection are refunded and if the amount required
38 to pay the principal of and interest on the refunding bonds in any
39 fiscal year during the term of the bonds is less than the amount that
40 would have been required in the same fiscal year to pay the
41 principal of and the interest on the original bonds if they had not
42 been refunded, there is appropriated to the Nevada System of Higher
43 Education an amount sufficient to pay the principal of and interest
44 on the original bonds, as if they had not been refunded. The amount
45 required to pay the principal of and interest on the refunding bonds



1 must be used for that purpose from the amount appropriated. The
2 amount equal to the saving realized in that fiscal year from the
3 refunding must be used by the Nevada System of Higher Education
4 to defray, in whole or in part, the expenses of operation and
5 maintenance of the facilities acquired in part with the proceeds of
6 the original bonds.

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

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

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

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

35 463.3855 1. In addition to any other state license fees
36 imposed by this chapter, the Commission shall, before issuing a
37 state gaming license to an operator of a slot machine route, ~~for an~~
38 ~~operator of an inter-casino linked system,]~~ charge and collect an
39 annual license fee of \$500.

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

44 3. Except as otherwise provided in NRS 463.386, the fee to be
45 charged and collected under this section is the full annual fee,



1 without regard to the date of application for or issuance of the
2 license.

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

4 463.665 1. The Commission shall, with the advice and
5 assistance of the Board, adopt regulations prescribing:

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

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

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

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

15 (1) Is directly used in gaming;

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

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

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

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

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

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

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

36 3. This section does not apply to:

37 (a) A licensee; or

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

40 4. In addition to requiring a manufacturer or distributor of
41 associated equipment to be registered as set forth in subsections 2
42 and 3, a manufacturer or distributor of associated equipment who
43 sells, transfers or offers the associated equipment for use or play in
44 Nevada may be required by the Board to file an application for a



1 finding of suitability to be a manufacturer or distributor of
2 associated equipment.

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

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

15 ~~[7.]~~ 6. Any person who manufactures or distributes associated
16 equipment who has complied with all applicable regulations adopted
17 by the Commission before October 1, 2015, shall be deemed to be
18 registered pursuant to this section.

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

20 463.670 1. The Legislature finds and declares as facts:

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

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

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

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

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

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



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

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

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

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

16 7. The Commission shall adopt regulations which:

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

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

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

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

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



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

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

8 8. The Commission shall retain jurisdiction over any person
9 registered pursuant to this section and any regulation adopted
10 thereto, in all matters relating to a game, gaming device, associated
11 equipment, cashless wagering system ~~[, inter casino linked system]~~
12 or interactive gaming system, or any component thereof or
13 modification thereto, even if the person ceases to be registered.

14 9. A person registered pursuant to this section is subject to the
15 investigatory and disciplinary proceedings that are set forth in NRS
16 463.310 to 463.318, inclusive, and shall be punished as provided in
17 those sections.

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

21 (a) A registered independent testing laboratory.

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

23 (c) An officer, director, partner, principal, manager, member,
24 trustee or direct or beneficial owner of a registered independent
25 testing laboratory or any person that owns or has significant
26 involvement with the activities of a registered independent testing
27 laboratory.

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

34 12. As used in this section, unless the context otherwise
35 requires, "independent testing laboratory" means a private
36 laboratory that is registered by the Board to inspect and certify
37 games, gaming devices, associated equipment, cashless wagering
38 systems ~~[, inter casino linked systems]~~ or interactive gaming
39 systems, and any components thereof and modifications thereto, and
40 to perform such other services as the Board and Commission may
41 request.

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

44 368A.200 1. Except as otherwise provided in this section,
45 there is hereby imposed an excise tax on admission to any facility in



1 this State where live entertainment is provided and on the charge for
2 live entertainment provided by an escort at one or more locations in
3 this State. The rate of the tax is:

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

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

11 2. Amounts paid for:

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

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

24 (c) Fees imposed, collected and retained by an independent
25 financial institution in connection with the use of credit cards or
26 debit cards to pay the admission charge to a facility where live
27 entertainment is provided are not taxable pursuant to this section. As
28 used in this paragraph, "independent financial institution" means a
29 financial institution that is not the taxpayer or an owner or operator
30 of the facility where the live entertainment is provided or an affiliate
31 of any of those persons.

32 3. The tax imposed by this section must be added to and
33 collected from the purchaser at the time of purchase, whether or not
34 the admission for live entertainment is purchased for resale. ~~Each
35 ticket for admission to a facility where live entertainment is
36 provided must show on its face the admission charge or the seller of
37 the admission shall prominently display a notice disclosing the
38 admission charge at the box office or other place where the charge is
39 made.~~

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

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

44 (b) Live entertainment that is governed by the Nevada
45 Interscholastic Activities Association pursuant to chapter 385B of



1 NRS or is provided or sponsored by an elementary school, junior
2 high school, middle school or high school, if only pupils or faculty
3 provide the live entertainment.

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

8 (d) Live entertainment that is provided by or entirely for the
9 benefit of a nonprofit religious, charitable, fraternal or other
10 organization that qualifies as a tax-exempt organization pursuant to
11 26 U.S.C. § 501(c), or a nonprofit corporation organized or existing
12 under the provisions of chapter 82 of NRS, only if the number of
13 tickets to the live entertainment which are offered for sale or other
14 distribution to patrons, either directly or indirectly through a partner,
15 subsidiary, client, affiliate or other collaborator, is less than 7,500.

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

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

21 (g) Live entertainment that is provided at a licensed gaming
22 establishment that is licensed for less than 51 slot machines, less
23 than 6 games, or any combination of slot machines and games
24 within those respective limits, if the facility in which the live
25 entertainment is provided has a maximum occupancy of less than
26 200 persons.

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

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

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

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

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

41 (m) Live entertainment that is incidental to an amusement ride, a
42 motion simulator or a similar digital, electronic, mechanical or
43 electromechanical attraction. For the purposes of this paragraph, live
44 entertainment shall be deemed to be incidental to an amusement



1 ride, a motion simulator or a similar digital, electronic, mechanical
2 or electromechanical attraction if the live entertainment is:

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

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

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

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

13 5. As used in this section:

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

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

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

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

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

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

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

31 **Sec. 22.5.** Section 1 of this act applies to any game or
32 gambling game which has not been approved on or after July 1,
33 2021.

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

36 **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.



