

ASSEMBLY BILL NO. 560—ASSEMBLYMEN GUSTAVSON, ANGLE, MARVEL,
GIBBONS, HETTRICK, BERMAN, NEIGHBORS, CEGAVSKE,
HUMKE, MORTENSON, CARPENTER, DE BRAGA, DINI, BEERS
AND VON TOBEL

MARCH 15, 1999

Referred to Committee on Government Affairs

SUMMARY—Provides for issuance of gaming tokens by State of Nevada. (BDR 19-1486)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Contains Appropriation not included in
Executive Budget.

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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 state financial administration; authorizing the minting of gaming tokens of the
State of Nevada; providing for the use of the gaming tokens in gaming establishments;
providing a penalty; and providing other matters properly relating thereto.

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

- 1 **Section 1.** Chapter 235 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2, 3 and 4 of this act.
3 **Sec. 2. 1. *The administrator of the division of museums and***
4 *history of the department of museums, library and arts, after consulting*
5 *with the executive director of the commission on tourism and the*
6 *administrator of the division of minerals of the department of business*
7 *and industry, shall contract with a person to mint gaming tokens of the*
8 *State of Nevada on Press No. 1 of the Carson City Mint.*
9 **2. *The administrator of the division of museums and history may***
10 *cause the dies for the tokens to be made by contracting with an engraver*
11 *directly or may include the making of the dies in the contract for the*
12 *minting of the tokens, but the dies used to produce the tokens must*
13 *become and remain property of the State of Nevada.*
14 **3. *Each token must contain 1 ounce of fine silver. The tokens must***
15 *be minted from silver refined from ore mined in Nevada if available at*

1 *the current United States market price. If it is not so available, ore newly*
2 *mined in the United States may be used. The amount of fine silver used*
3 *must be clearly indicated on each token.*

4 **Sec. 3. 1.** *Each token minted pursuant to section 2 of this act must*
5 *bear on its obverse The Great Seal of the State of Nevada and on its*
6 *reverse, in an appropriate design selected pursuant to subsection 2:*

7 *(a) The phrase "State of Nevada Gaming Token";*

8 *(b) A designation of the \$25 face value of the token;*

9 *(c) The Carson City Mint Mark;*

10 *(d) If the token is numbered, the number of the order in which that*
11 *particular token was minted;*

12 *(e) The phrase "Contains 1 Ounce of Fine Silver"; and*

13 *(f) The year in which the token was minted.*

14 **2.** *A contest must be conducted to select each design. The artist must*
15 *be a resident of this state. The chief of the purchasing division of the*
16 *department of administration shall determine the rules for the contests,*
17 *including the number and the identity of the judges.*

18 **3.** *Not more than 500 numbered tokens may be minted in each*
19 *design. The artist whose design is selected to appear on a token is entitled*
20 *to receive the first token of his design that is minted, as his prize for*
21 *winning the contest.*

22 **4.** *The next 499 numbered tokens of each design that are minted*
23 *must be offered for sale by the administrator for \$25 each through a*
24 *drawing that awards the numbered tokens randomly to not more than*
25 *499 persons who have paid for the tokens before the drawing is held.*

26 **5.** *The additional unnumbered tokens must be sold for \$25 each by*
27 *the administrator in such a manner as the administrator deems*
28 *appropriate.*

29 **6.** *The proceeds of the sale of the tokens must be deposited in an*
30 *account in the state general fund and accounted for separately. Interest*
31 *and income earned on the money in the fund must be credited to the fund*
32 *and the balance in the fund at the end of the fiscal year up to \$300,000*
33 *does not revert to the state general fund. The money in the account must*
34 *be used to pay the costs of making and selling additional tokens.*

35 **Sec. 4. 1.** *It is unlawful to counterfeit, forge or utter a gaming*
36 *token minted pursuant to sections 2 and 3 of this act.*

37 **2.** *A person who violates the provisions of subsection 1 is guilty of a*
38 *category E felony and shall be punished as provided in NRS 193.130.*

39 **Sec. 5.** *Chapter 463 of NRS is hereby amended by adding thereto a*
40 *new section to read as follows:*

41 **1.** *A nonrestricted licensee shall accept gaming tokens minted by the*
42 *State of Nevada pursuant to sections 2, 3 and 4 of this act for all table*

1 *games for which chips are accepted and may accept the tokens for use in*
2 *other gambling games if practicable.*

3 *2. It is unlawful to accept a gaming token minted by the State of*
4 *Nevada pursuant to sections 2, 3 and 4 of this act at any value less than*
5 *its \$25 face value.*

6 *3. A person who violates the provisions of subsection 2 is guilty of a*
7 *misdemeanor.*

8 **Sec. 6.** NRS 465.080 is hereby amended to read as follows:

9 465.080 1. It is unlawful for any licensee, employee or other person
10 to use counterfeit chips, counterfeit debit instruments or other counterfeit
11 wagering instruments in a gambling game, associated equipment or a
12 cashless wagering system.

13 2. It is unlawful for any person, in playing or using any gambling
14 game, associated equipment or cashless wagering system designed to be
15 played with, receive or be operated by chips, tokens, wagering credits or
16 other wagering instruments approved by the state gaming control board ,
17 *by gaming tokens minted by the State of Nevada pursuant to sections 2, 3*
18 *and 4 of this act* or by lawful coin of the United States of America:

19 (a) Knowingly to use other than chips, tokens, wagering credits or other
20 wagering instruments approved by the state gaming control board , *gaming*
21 *tokens minted by the State of Nevada pursuant to sections 2, 3 and 4 of*
22 *this act* or lawful coin, legal tender of the United States of America, or to
23 use coin or tokens not of the same denomination as the coin or tokens
24 intended to be used in that gambling game, associated equipment or
25 cashless wagering system; or

26 (b) To use any device or means to violate the provisions of this chapter.

27 3. It is unlawful for any person, not a duly authorized employee of a
28 licensee acting in furtherance of his employment within an establishment,
29 to have on his person or in his possession on or off the premises of any
30 licensed gaming establishment any device intended to be used to violate
31 the provisions of this chapter.

32 4. It is unlawful for any person, not a duly authorized employee of a
33 licensee acting in furtherance of his employment within an establishment,
34 to have on his person or in his possession on or off the premises of any
35 licensed gaming establishment any key or device known to have been
36 designed for the purpose of and suitable for opening, entering or affecting
37 the operation of any gambling game, cashless wagering system or drop
38 box, or any electronic or mechanical device connected thereto, or for
39 removing money or other contents therefrom.

40 5. It is unlawful for any person to have on his person or in his
41 possession any paraphernalia for manufacturing slugs. As used in this
42 subsection, "paraphernalia for manufacturing slugs" means the equipment,
43 products and materials that are intended for use or designed for use in

1 manufacturing, producing, fabricating, preparing, testing, analyzing,
2 packaging, storing or concealing a counterfeit facsimile of the chips,
3 tokens, debit instruments or other wagering instruments approved by the
4 state gaming control board or a lawful coin of the United States, the use of
5 which is unlawful pursuant to subsection 2. The term includes, but is not
6 limited to:

- 7 (a) Lead or lead alloys;
- 8 (b) Molds, forms or similar equipment capable of producing a likeness
9 of a gaming token , *including gaming tokens minted by the State of*
10 *Nevada pursuant to sections 2, 3 and 4 of this act*, or United States coin;
- 11 (c) Melting pots or other receptacles;
- 12 (d) Torches;
- 13 (e) Tongs, trimming tools or other similar equipment; and
- 14 (f) Equipment which can be reasonably demonstrated to manufacture
15 facsimiles of debit instruments or wagering instruments approved by the
16 state gaming control board.

17 6. Possession of more than one of the devices, equipment, products or
18 materials described in this section permits a rebuttable inference that the
19 possessor intended to use them for cheating.

20 **Sec. 7.** 1. There is hereby appropriated from the state general fund
21 to the administrator of the division of museums and history of the
22 department of museums, library and arts to make and sell gaming tokens as
23 provided in sections 2 and 3 of this act, the sum of:

24 For fiscal year 1999-2000.....\$70,000

25 For fiscal year 2000-2001.....\$70,000

26 2. The money appropriated for fiscal years 1999-2000 and 2000-2001,
27 in this section is available for both fiscal years 1999-2000 and 2000-2001,
28 and may be transferred from one fiscal year to the other. Any balance of
29 the money appropriated by subsection 1 remaining on June 30, 2001, must
30 be carried forward and does not revert to the state general fund.

31 **Sec. 8.** This act becomes effective on July 1, 1999.