

ASSEMBLY BILL NO. 646—COMMITTEE ON JUDICIARY

(ON BEHALF OF GAMING CONTROL BOARD)

MARCH 22, 1999

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to gaming. (BDR 41-416)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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

AN ACT relating to gaming; changing the deadline for collection of the annual excise tax on slot machines; clarifying a provision governing the issuance and expiration of a manufacturer's, seller's or distributor's license; 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.** NRS 463.385 is hereby amended to read as follows:
2 463.385 1. In addition to any other license fees and taxes imposed by
3 this chapter, there is hereby imposed upon each slot machine operated in
4 this state an annual excise tax of \$250. If a slot machine is replaced by
5 another, the replacement is not considered a different slot machine for the
6 purpose of imposing this tax.
7 2. The commission shall:
8 (a) Collect the tax annually on or before June ~~20,~~ **30**, as a condition
9 precedent to the issuance of a state gaming license to operate any slot
10 machine for the ensuing fiscal year beginning July 1, from a licensee whose
11 operation is continuing.
12 (b) Collect the tax in advance from a licensee who begins operation or
13 puts additional slot machines into play during the fiscal year, prorated
14 monthly after July 31.
15 (c) Include the proceeds of the tax in its reports of state gaming taxes
16 collected.

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

12 4. The commission shall pay over the tax as collected to the state
13 treasurer to be deposited to the credit of the state distributive school
14 account in the state general fund, and the capital construction fund for
15 higher education and the special capital construction fund for higher
16 education, which are hereby created in the state treasury as special revenue
17 funds, in the amounts and to be expended only for the purposes specified in
18 this section.

19 5. During each fiscal year, the state treasurer shall deposit the tax paid
20 over to him by the commission as follows:

21 (a) The first \$5,000,000 of the tax in the capital construction fund for
22 higher education;

23 (b) Twenty percent of the tax in the special capital construction fund for
24 higher education; and

25 (c) The remainder of the tax in the state distributive school account in
26 the state general fund.

27 6. There is hereby appropriated from the balance in the special capital
28 construction fund for higher education on July 31 of each year the amount
29 necessary to pay the principal and interest due in that fiscal year on the
30 bonds issued pursuant to section 5 of chapter 679, Statutes of Nevada 1979,
31 as amended by chapter 585, Statutes of Nevada 1981, at page 1251, the
32 bonds authorized to be issued by section 2 of chapter 643, Statutes of
33 Nevada 1987, at page 1503, the bonds authorized to be issued by section 2
34 of chapter 614, Statutes of Nevada 1989, at page 1377, the bonds
35 authorized to be issued by section 2 of chapter 718, Statutes of Nevada
36 1991, at page 2382, and the bonds authorized to be issued by section 2 of
37 chapter 629, Statutes of Nevada 1997, at page 3106. If in any year the
38 balance in that fund is not sufficient for this purpose, the remainder
39 necessary is hereby appropriated on July 31 from the capital construction
40 fund for higher education. The balance remaining unappropriated in the
41 capital construction fund for higher education on August 1 of each year and
42 all amounts received thereafter during the fiscal year must be transferred to
43 the state general fund for the support of higher education. If bonds

1 described in this subsection are refunded and if the amount required to pay
2 the principal of and interest on the refunding bonds in any fiscal year
3 during the term of the bonds is less than the amount that would have been
4 required in the same fiscal year to pay the principal of and the interest on
5 the original bonds if they had not been refunded, there is appropriated to
6 the University and Community College System of Nevada an amount
7 sufficient to pay the principal of and interest on the original bonds, as if
8 they had not been refunded. The amount required to pay the principal of
9 and interest on the refunding bonds must be used for that purpose from the
10 amount appropriated. The amount equal to the saving realized in that fiscal
11 year from the refunding must be used by the University and Community
12 College System of Nevada to defray, in whole or in part, the expenses of
13 operation and maintenance of the facilities acquired in part with the
14 proceeds of the original bonds.

15 7. After the requirements of subsection 6 have been met for each fiscal
16 year, when specific projects are authorized by the legislature, money in the
17 capital construction fund for higher education and the special capital
18 construction fund for higher education must be transferred by the state
19 controller and the state treasurer to the state public works board for the
20 construction of capital improvement projects for the University and
21 Community College System of Nevada, including, but not limited to,
22 capital improvement projects for the community colleges of the University
23 and Community College System of Nevada. As used in this subsection,
24 "construction" includes, but is not limited to, planning, designing, acquiring
25 and developing a site, construction, reconstruction, furnishing, equipping,
26 replacing, repairing, rehabilitating, expanding and remodeling. Any money
27 remaining in either fund at the end of a fiscal year does not revert to the
28 state general fund but remains in those funds for authorized expenditure.

29 8. The money deposited in the state distributive school account in the
30 state general fund under this section must be apportioned as provided in
31 NRS 387.030 among the several school districts of the state at the times
32 and in the manner provided by law.

33 9. The board of regents of the University of Nevada may use any
34 money in the capital construction fund for higher education and the special
35 capital construction fund for higher education for the payment of interest
36 and amortization of principal on bonds and other securities, whether issued
37 before, on or after July 1, 1979, to defray in whole or in part the costs of
38 any capital project authorized by the legislature.

39 **Sec. 2.** NRS 463.660 is hereby amended to read as follows:

40 463.660 1. The commission shall charge and collect from each
41 applicant a fee of:

42 (a) For the issuance or renewal of a manufacturer's license, \$1,000.

1 (b) For the issuance or renewal of a seller's or distributor's license,
2 \$500.

3 2. All licenses must be issued for the calendar year *beginning on*
4 *January 1* and ~~expire~~ *expiring* on December 31. *If the operation is*
5 *continuing, the commission shall charge and collect the fee prescribed by*
6 *subsection 1 on or before December 31 for the ensuing calendar year.*

7 Regardless of the date of application or issuance of the license, the fee to be
8 charged and collected under this section is the full annual fee.

9 3. All license fees collected pursuant to this section must be paid over
10 immediately to the state treasurer to be deposited to the credit of the state
11 general fund.

12 **Sec. 3.** This act becomes effective upon passage and approval.

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