

ASSEMBLY BILL NO. 651—COMMITTEE ON JUDICIARY

MARCH 22, 1999

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to manufacture, sale and distribution of gaming devices and associated equipment and inter-casino linked systems. (BDR 41-1645)

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

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

AN ACT relating to gaming; making various changes relating to the manufacture, sale and distribution of gaming devices and associated equipment and inter-casino linked systems; 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 463 of NRS is hereby amended by adding thereto a
2 new section to read as follows:
3 1. *If an operator of an inter-casino linked system makes the inter-*
4 *casino linked system available to a nonrestricted licensee, other than*
5 *during a trial period, the operator shall also make the inter-casino linked*
6 *system available to any other eligible nonrestricted licensee subject to the*
7 *provisions of this chapter and reasonable production and delivery*
8 *schedules. For purposes of this section, a nonrestricted licensee shall be*
9 *deemed to be eligible if the licensee is a Group I licensee or a Group II*
10 *licensee, as determined pursuant to the regulations of the commission*
11 *and otherwise meets the requirements of the commission regarding*
12 *locations for games that are part of an inter-casino linked system.*
13 2. *The provisions of subsection 1 do not prevent the imposition by an*
14 *operator of an inter-casino linked system of different terms and*
15 *conditions, including prices, based on:*

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

4 ***(b) Credit considerations.***

5 **Sec. 2.** NRS 463.0129 is hereby amended to read as follows:

6 463.0129 1. The legislature hereby finds, and declares to be the
7 public policy of this state, that:

8 (a) The gaming industry is vitally important to the economy of the state
9 and the general welfare of the inhabitants.

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

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

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

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

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

3. This section does not:

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

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

Sec. 3. NRS 463.120 is hereby amended to read as follows:

463.120 1. The board and the commission shall cause to be made and kept a record of all proceedings at regular and special meetings of the board and the commission. These records are open to public inspection.

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

3. The board and the commission may maintain such other files and records as they may deem desirable.

4. Except as otherwise provided in this subsection and subsection 5, all information and data:

(a) Required by the board or commission to be furnished to it under this chapter or which may be otherwise obtained relative to the finances, earnings or revenue of any applicant or licensee;

(b) Pertaining to an applicant's criminal record, antecedents and background which have been furnished to or obtained by the board or commission from any source;

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

(d) Obtained by the board from a manufacturer, distributor or operator, *or from an operator of an inter-casino linked system*, relating to the manufacturing of gaming devices ~~or~~ *or the operation of an inter-casino linked system*; or

(e) Prepared or obtained by an agent or employee of the board or commission relating to an application for a license, a finding of suitability or any approval that is required pursuant to the provisions of this chapter,

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

1 5. Before the beginning of each legislative session, the board shall
2 submit to the legislative commission for its review and for the use of the
3 legislature a report on the gross revenue, net revenue and average
4 depreciation of all licensees, categorized by class of licensee and
5 geographical area and the assessed valuation of the property of all
6 licensees, by category, as listed on the assessment rolls.

7 6. Notice of the content of any information or data furnished or
8 released pursuant to subsection 4 may be given to any applicant or licensee
9 in a manner prescribed by regulations adopted by the commission.

10 7. The files, records and reports of the board are open at all times to
11 inspection by the commission and its authorized agents.

12 8. All files, records, reports and other information pertaining to gaming
13 matters in the possession of the Nevada tax commission must be made
14 available to the board and the Nevada gaming commission as is necessary
15 to the administration of this chapter.

16 9. The Nevada gaming commission, by the affirmative vote of a
17 majority of its members, may remove from its records the name of a debtor
18 and the amount of tax, penalty and interest, or any of them, owed by him, if
19 after 5 years it remains impossible or impracticable to collect such
20 amounts. The commission shall establish a master file containing the
21 information removed from its official records by this section.

22 **Sec. 4.** NRS 463.15993 is hereby amended to read as follows:

23 463.15993 **1.** The commission ~~may~~ **shall** adopt regulations
24 governing the **approval and** operation of inter-casino linked systems and
25 the licensing of the operators of such systems.

26 **2. The commission shall include in the regulations, without**
27 **limitation:**

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

30 **(b) Requirements for the:**

31 **(1) Operator of an inter-casino linked system to disclose to the**
32 **board, the commission and licensees on a confidential basis the rate of**
33 **progression of the primary jackpot meter; and**

34 **(2) Establishment of a minimum rate of progression of the primary**
35 **jackpot meter.**

36 **(c) Criteria for multiple licensing of inter-casino linked systems and**
37 **the operators of inter-casino linked systems.**

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

40 **Sec. 5.** (Deleted by amendment.)

41 **Sec. 6.** NRS 463.170 is hereby amended to read as follows:

42 463.170 **1.** Any person who the commission determines is qualified
43 to receive a license, to be found suitable or to receive any approval

1 required under the provisions of this chapter, or to be found suitable
2 regarding the operation of a charitable lottery under the provisions of
3 chapter 462 of NRS, having due consideration for the proper protection of
4 the health, safety, morals, good order and general welfare of the inhabitants
5 of the State of Nevada and the declared policy of this state, may be issued a
6 state gaming license, be found suitable or receive any approval required by
7 this chapter, as appropriate. The burden of proving his qualification to
8 receive any license, be found suitable or receive any approval required by
9 this chapter is on the applicant.

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

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

13 (b) A person whose prior activities, criminal record, if any, reputation,
14 habits and associations do not pose a threat to the public interest of this
15 state or to the effective regulation and control of gaming or charitable
16 lotteries, or create or enhance the dangers of unsuitable, unfair or illegal
17 practices, methods and activities in the conduct of gaming or charitable
18 lotteries or in the carrying on of the business and financial arrangements
19 incidental thereto; and

20 (c) In all other respects qualified to be licensed or found suitable
21 consistently with the declared policy of the state.

22 3. A license to operate a gaming establishment *or an inter-casino*
23 *linked system* must not be granted unless the applicant has satisfied the
24 commission that:

25 (a) ~~He~~ *The applicant* has adequate business probity, competence and
26 experience, in gaming or generally; and

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

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

29 (2) From a suitable source.

30 Any lender or other source of money or credit which the commission finds
31 does not meet the standards set forth in subsection 2 may be deemed
32 unsuitable.

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

42 5. The commission may in its discretion grant a license to:

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

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

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

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

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

17 7. The commission may, by regulation:

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

22 (b) Establish such other qualifications for licenses as it may, in its
23 discretion, deem to be in the public interest and consistent with the declared
24 policy of the state.

25 **Sec. 7.** NRS 463.245 is hereby amended to read as follows:

26 463.245 1. Except as otherwise provided in ~~{subsection 3, all}~~
27 **subsections 2, 3 and 4:**

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

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

36 2. A person who has been issued a nonrestricted gaming license may
37 establish a sports pool or race book on the premises of the establishment at
38 which he conducts a nonrestricted gaming operation only after obtaining
39 permission from the commission.

40 3. A person who has been issued a license to operate a sports pool or
41 race book at an establishment may be issued a license to operate a sports
42 pool or race book at another establishment if the second establishment is
43 operated by a person who has been issued a nonrestricted license.

1 4. Nothing in this section limits or prohibits an operator of an inter-
2 casino linked system from placing **and operating** such a system on the
3 premises of two or more gaming licensees and receiving, either directly or
4 indirectly, any compensation or any percentage or share of the money or
5 property played from the linked games ~~and~~ **in accordance with the**
6 **provisions of this chapter and the regulations adopted by the commission.**
7 An inter-casino linked system must not be used to link games other than
8 slot machines, unless such games are located at an establishment that is
9 licensed for games other than slot machines.

10 **Sec. 8.** NRS 463.305 is hereby amended to read as follows:

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

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

18 3. The commission shall adopt regulations relating to gaming devices
19 and their significant modification ~~and~~ **and inter-casino linked systems.**

20 **Sec. 9.** NRS 463.370 is hereby amended to read as follows:

21 463.370 1. Except as otherwise provided in NRS 463.373, the
22 commission shall charge and collect from each licensee a license fee based
23 upon all the gross revenue of the licensee as follows:

24
25 Three percent of all the gross revenue of the licensee which does not
26 exceed \$50,000 per calendar month;

27 Four percent of all the gross revenue of the licensee which exceeds
28 \$50,000 per calendar month and does not exceed \$134,000 per
29 calendar month; and

30 Six and one-quarter percent of all the gross revenue of the licensee
31 which exceeds \$134,000 per calendar month.

32
33 2. Unless the licensee has been operating for less than a full calendar
34 month, the commission shall charge and collect the fee prescribed in
35 subsection 1, based upon the gross revenue for the preceding calendar
36 month, on or before the 24th day of the following month. Except for the fee
37 based on the first full month of operation, the fee is an estimated payment
38 of the license fee for the third month following the month whose gross
39 revenue is used as its basis.

40 3. When a licensee has been operating for less than a full calendar
41 month, the commission shall charge and collect the fee prescribed in
42 subsection 1, based on the gross revenue received during that month, on or
43 before the 24th day of the following calendar month of operation. After the

1 first full calendar month of operation, the commission shall charge and
2 collect the fee based on the gross revenue received during that month, on or
3 before the 24th day of the following calendar month. The payment of the
4 fee due for the first full calendar month of operation must be accompanied
5 by the payment of a fee equal to three times the fee for the first full
6 calendar month. This additional amount is an estimated payment of the
7 license fees for the next 3 calendar months. Thereafter, each license fee
8 must be paid in the manner described in subsection 2. Any deposit held by
9 the commission on July 1, 1969, must be treated as an advance estimated
10 payment.

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

36 5. *An operator of an inter-casino linked system shall not enter into*
37 *any agreement or arrangement with a licensee that provides for the*
38 *operator of the inter-casino linked system to be liable to the licensee for*
39 *less than its full proportionate share of the license fees paid by the*
40 *licensee pursuant to this section, whether accomplished through a rebate,*
41 *refund, charge-back or otherwise.*

42 6. Any person required to pay a fee pursuant to this section shall file
43 with the commission, on or before the 24th day of each calendar month, a

1 report showing the amount of all gross revenue received during the
2 preceding calendar month. Each report must be accompanied by:

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

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

9 ~~16.1~~ 7. If the amount of license fees required to be reported and paid
10 pursuant to this section is later determined to be greater or less than the
11 amount actually reported and paid, the commission shall:

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

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

16 Interest must be computed at the rate prescribed in NRS 17.130 from the
17 first day of the first month following either the due date of the additional
18 license fees or the date of overpayment until paid.

19 ~~17.1~~ 8. Failure to pay the fees provided for in this section shall be
20 deemed a surrender of the license at the expiration of the period for which
21 the estimated payment of fees has been made, as established in subsection
22 2.

23 ~~18.1~~ 9. Except as otherwise provided in NRS 463.386, the amount of
24 the fee prescribed in subsection 1 must not be prorated.

25 ~~19.1~~ 10. Except as otherwise provided in NRS 463.386, if a licensee
26 ceases operation, the commission shall:

27 (a) Charge and collect the additional license fees determined to be due
28 with interest; or

29 (b) Refund any overpayment, with interest thereon, to the licensee,
30 based upon the gross revenue of the licensee during the last 3 months
31 immediately preceding the cessation of operation, or portions of those last
32 3 months.

33 ~~110.1~~ 11. If in any month, the amount of gross revenue is less than
34 zero, the licensee may offset the loss against gross revenue in succeeding
35 months until the loss has been fully offset.

36 ~~111.1~~ 12. If in any month, the amount of the license fee due is less than
37 zero, the licensee is entitled to receive a credit against any license fees due
38 in succeeding months until the credit has been fully offset.

39 **Sec. 10.** NRS 463.375 is hereby amended to read as follows:

40 463.375 1. In addition to any other state gaming license fees
41 provided for in this chapter, before issuing a state gaming license to an
42 applicant for a nonrestricted operation, the commission shall charge and

1 collect from the applicant a license fee of \$80 for each slot machine for
2 each calendar year.

3 2. The commission shall charge and collect the fee prescribed in
4 subsection 1, at the rate of \$20 for each slot machine for each calendar
5 quarter:

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

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

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

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

17 *5. Any other person, including, without limitation, an operator of an*
18 *inter-casino linked system, who is authorized to receive a share of the*
19 *revenue from any slot machine that is operated on the premises of a*
20 *licensee is liable to the licensee for that person's proportionate share of*
21 *the license fees paid by the licensee pursuant to this section and shall*
22 *remit or credit the full proportionate share to the licensee on or before*
23 *the dates set forth in subsection 2. A licensee is not liable to any other*
24 *person authorized to receive a share of the licensee's revenue from any*
25 *slot machine that is operated on the premises of a licensee for that*
26 *person's proportionate share of the license fees to be remitted or credited*
27 *to the licensee by that person pursuant to this section.*

28 **Sec. 11.** NRS 463.385 is hereby amended to read as follows:

29 463.385 1. In addition to any other license fees and taxes imposed by
30 this chapter, there is hereby imposed upon each slot machine operated in
31 this state an annual excise tax of \$250. If a slot machine is replaced by
32 another, the replacement is not considered a different slot machine for the
33 purpose of imposing this tax.

34 2. The commission shall:

35 (a) Collect the tax annually on or before June 20, as a condition
36 precedent to the issuance of a state gaming license to operate any slot
37 machine for the ensuing fiscal year beginning July 1, from a licensee whose
38 operation is continuing.

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

42 (c) Include the proceeds of the tax in its reports of state gaming taxes
43 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*
5 *the license fees paid by the licensee pursuant to this section and shall*
6 *remit or credit the full proportionate share to the licensee on or before*
7 *the dates set forth in subsection 2. A licensee is not liable to any other*
8 *person authorized to receive a share of the licensee's revenue from any*
9 *slot machine that is operated on the premises of a licensee for that*
10 *person's proportionate share of the license fees to be remitted or credited*
11 *to the licensee by that person 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 ~~4.~~ 5. During each fiscal year the state treasurer shall deposit the tax
20 paid 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 ~~5.~~ 6. There is hereby appropriated from the balance in the special
28 capital construction fund for higher education on July 31 of each year the
29 amount necessary to pay the principal and interest due in that fiscal year on
30 the bonds issued pursuant to section 5 of chapter 679, Statutes of Nevada
31 1979, as amended by chapter 585, Statutes of Nevada 1981, at page 1251,
32 the 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 ~~H~~, *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 ~~{6-}~~ 7. After the requirements of subsection ~~{5}~~ 6 have been met for
16 each fiscal year, when specific projects are authorized by the legislature,
17 money in the capital construction fund for higher education and the special
18 capital construction fund for higher education must be transferred by the
19 state controller and the state treasurer to the state public works board for
20 the 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 ~~{7-}~~ 8. The money deposited in the state distributive school account in
30 the 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 ~~{8-}~~ 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. 12.** An inter-casino linked system that is being operated on the
40 effective date of this act may continue to be operated in accordance with
41 the provisions of this act until the earlier of July 1, 2000, or the date on
42 which the inter-casino linked system is separately approved by the
43 commission pursuant to regulations adopted by the commission. No inter

1 casino linked system may be operated or exposed for play after July 1,
2 2000, unless all licenses and approvals have been obtained by the operator
3 of the inter-casino linked system in accordance with the provisions of this
4 act and the regulations adopted by the commission pursuant thereto.
5 **Sec. 13.** This act becomes effective upon passage and approval.

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