
ASSEMBLY BILL NO. 70—ASSEMBLYMAN COLLINS

PREFILED JANUARY 28, 1999

Referred to Committee on Judiciary

SUMMARY—Requires licensure of manufacturer, seller or distributor of associated equipment used in gaming. (BDR 41-365)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State or on Industrial Insurance: Yes.

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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; requiring the licensure of a manufacturer, seller or distributor of associated equipment; providing a fee for such licensure; 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.** NRS 463.0172 is hereby amended to read as follows:
2 463.0172 “Manufacturer” means a person who:
3 1. Manufactures, assembles, programs or makes modifications to a
4 gaming device or cashless wagering system; ~~for~~
5 2. ***Manufactures, assembles or produces associated equipment for use***
6 ***by a licensee; or***
7 3. Designs, controls the design or assembly or maintains a copyright
8 over the design of a mechanism, electronic circuit or computer program
9 which cannot be reasonably demonstrated to have any application other
10 than in a gaming device or in a cashless wagering system, for use or play in
11 this state or for distribution outside of this state.
12 **Sec. 2.** NRS 463.650 is hereby amended to read as follows:
13 463.650 1. Except as otherwise provided in subsections 2 to 5,
14 inclusive, it is unlawful for any person, either as owner, lessee or employee,
15 whether for hire or not, to operate, carry on, conduct or maintain any form
16 of manufacture, selling or distribution of any gaming device , ***associated***
17 ***equipment*** or cashless wagering system for use or play in Nevada or for
18 distribution outside of Nevada without first procuring and maintaining all

1 required federal, state, county and municipal licenses ~~and~~, *including,*
2 *without limitation, a manufacturer's, seller's or distributor's license*
3 *issued by the commission.*

4 2. A lessor who specifically acquires equipment for a capital lease is
5 not required to be licensed under this section or NRS 463.660.

6 3. The holder of a state gaming license or the holding company of a
7 corporation, partnership, limited partnership, limited-liability company or
8 other business organization holding a license may, within 2 years after
9 cessation of business or upon specific approval by the board, dispose of by
10 sale in a manner approved by the board, any or all of its gaming devices,
11 including slot machines, and *its associated equipment and* cashless
12 wagering systems, without a distributor's license. In cases of bankruptcy of
13 a state gaming licensee or foreclosure of a lien by a bank or other person
14 holding a security interest for which gaming devices are security in whole
15 or in part for the lien, the board may authorize the disposition of the gaming
16 devices without requiring a distributor's license.

17 4. The commission may, by regulation, authorize a person who owns
18 gaming devices for home use in accordance with NRS 463.160 to sell such
19 devices without procuring a license therefor.

20 5. Upon approval by the board, a gaming device owned by:

21 (a) A law enforcement agency;

22 (b) A court of law; or

23 (c) A gaming device repair school licensed by the commission on
24 postsecondary education,

25 may be disposed of by sale, in a manner approved by the board, without a
26 distributor's license. An application for approval must be submitted to the
27 board in the manner prescribed by the chairman.

28 6. Any person whom the commission determines is a suitable person to
29 receive a license under the provisions of this section and NRS 463.660 may
30 be issued a manufacturer's, *seller's* or distributor's license. The burden of
31 proving his qualification to receive or hold a license under this section and
32 NRS 463.660 is at all times on the applicant or licensee.

33 7. Every person who must be licensed pursuant to this section is subject
34 to the provisions of NRS 463.482 to 463.645, inclusive, unless exempted
35 from those provisions by the commission.

36 8. The commission may exempt, for any purpose, a manufacturer,
37 seller or distributor from the provisions of NRS 463.482 to 463.645,
38 inclusive, if the commission determines that the exemption is consistent
39 with the purposes of this chapter.

40 9. As used in this section, "holding company" has the meaning ascribed
41 to it in NRS 463.485.

Sec. 3. NRS 463.651 is hereby amended to read as follows:

463.651 1. A natural person who applies for the issuance or renewal of a **manufacturer's, seller's or distributor's** license ~~{as-a-manufacturer, distributor or seller of gaming devices}~~ shall submit to the commission the statement prescribed by the welfare division of the department of human resources pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The commission shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the license; or

(b) A separate form prescribed by the commission.

3. A **manufacturer's, seller's or distributor's** license ~~{as-a manufacturer, distributor or seller of gaming devices}~~ may not be issued or renewed by the commission if the applicant is a natural person who:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that he is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the commission shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 4. NRS 463.652 is hereby amended to read as follows:

463.652 1. If the commission receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a **manufacturer's, seller's or distributor's** license, ~~{as-a-manufacturer, distributor or seller of gaming devices,}~~ the commission shall deem the license issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the commission receives a letter issued to the holder of the license by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the license has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

1 2. The commission shall reinstate a **manufacturer's, seller's or**
2 **distributor's** license ~~{as a manufacturer, distributor or seller of gaming~~
3 ~~devices}~~ that has been suspended by a district court pursuant to NRS
4 425.540 if the commission receives a letter issued by the district attorney or
5 other public agency pursuant to NRS 425.550 to the person whose license
6 was suspended stating that the person whose license was suspended has
7 complied with the subpoena or warrant or has satisfied the arrearage
8 pursuant to NRS 425.560.

9 **Sec. 5.** NRS 463.653 is hereby amended to read as follows:

10 463.653 The application of a natural person who applies for the
11 issuance of a **manufacturer's, seller's or distributor's** license ~~{as a~~
12 ~~manufacturer, distributor or seller of gaming devices}~~ must include the
13 social security number of the applicant.

14 **Sec. 6.** NRS 463.665 is hereby repealed.

15 **Sec. 7.** The amendatory provisions of this act do not apply to offenses
16 that are committed before October 1, 1999.

17 **Sec. 8.** The amendatory provisions of sections 3, 4 and 5 of this act
18 expire by limitation on the date on which the provisions of 42 U.S.C. § 666
19 requiring each state to establish procedures under which the state has
20 authority to withhold or suspend, or to restrict the use of professional,
21 occupational and recreational licenses of persons who:

22 1. Have failed to comply with a subpoena or warrant relating to a
23 proceeding to determine the paternity of a child or to establish or enforce
24 an obligation for the support of a child; or

25 2. Are in arrears in the payment for the support of one or more
26 children,
27 are repealed by the Congress of the United States.

TEXT OF REPEALED SECTION

463.665 Finding of suitability for manufacturer or distributor of associated equipment.

1. A manufacturer or distributor of associated equipment who sells, transfers or offers the associated equipment for use or play in Nevada may be required by the commission, upon recommendation of the board, to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.

2. Any person who directly or indirectly involves himself in the sale, transfer or offering for use or play in Nevada of such associated equipment who is not otherwise required to be licensed as a manufacturer or distributor

may be required by the commission, upon recommendation of the board, to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.

3. If an application for a finding of suitability is not submitted to the board within 30 days after demand by the commission, it may pursue any remedy or combination of remedies provided in this chapter.

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