

SENATE BILL NO. 516—COMMITTEE ON JUDICIARY

(ON BEHALF OF NEVADA RESORT ASSOCIATION)

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 41-1644)

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 ~~for omitted material~~ 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 *If an operator of an inter-casino linked system makes the inter-casino*
4 *linked system available to a nonrestricted licensee, the operator shall also*
5 *make the inter-casino linked system available to any other eligible*
6 *nonrestricted licensee on similar terms and conditions subject to the*
7 *provisions of this chapter. For purposes of this section, a nonrestricted*
8 *licensee shall be deemed to be eligible if the licensee is a Group I licensee*
9 *or a Group II licensee, as determined pursuant to the regulations of the*
10 *commission and otherwise meets the requirements of the commission*
11 *regarding locations for games that are part of an inter-casino linked*
12 *system.*
13 **Sec. 2.** NRS 463.0129 is hereby amended to read as follows:
14 463.0129 1. The legislature hereby finds, and declares to be the
15 public policy of this state, that:

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

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

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

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

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

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

34 3. This section does not:

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

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

40 **Sec. 3.** NRS 463.01805 is hereby amended to read as follows:

41 463.01805 "Operator of an inter-casino linked system" means a person
42 who, under any agreement whereby consideration is paid or payable for the
43 right to place an inter-casino linked system, engages in the business of

1 placing and operating an inter-casino linked system upon the premises of
2 two or more licensed gaming establishments . ~~{, and who is authorized to~~
3 ~~share in the revenue from the linked games without having been~~
4 ~~individually licensed to conduct gaming at the establishment.}~~

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

6 463.15993 **1.** The commission ~~{may}~~ **shall** adopt regulations
7 governing the **approval and** operation of inter-casino linked systems and
8 the licensing of the operators of such systems.

9 **2. The commission shall include in the regulations, without**
10 **limitation:**

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

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

14 **(1) Operator of an inter-casino linked system to disclose to licensees**
15 **the rate of progression of the primary jackpot meter; and**

16 **(2) Approval of a change in the rate of progression of the primary**
17 **jackpot meter.**

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

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

23 **3. A manufacturer, distributor or seller of gaming devices, or an**
24 **operator of an inter-casino linked system shall not:**

25 **(a) Include games as part of an inter-casino linked system offered to**
26 **nonaffiliated licensees; or**

27 **(b) Distribute gaming devices under a participation agreement for**
28 **which the manufacturer, seller or operator of an inter-casino linked**
29 **system receives a percentage of profits or revenue, or a royalty, per diem**
30 **fee, license fee, or any similarly structured payment for use of the**
31 **gaming device, unless the games or gaming devices are made separately**
32 **available for purchase at a fixed sales price or for lease by gaming**
33 **licensees, for use or play in Nevada outside of an inter-casino linked**
34 **system or participation agreement.**

35 **Sec. 5.** NRS 463.160 is hereby amended to read as follows:

36 463.160 **1.** Except as otherwise provided in subsection 4 and NRS
37 463.172, it is unlawful for any person, either as owner, lessee or employee,
38 whether for hire or not, either solely or in conjunction with others:

39 **(a) To deal, operate, carry on, conduct, maintain or expose for play in**
40 **the State of Nevada any gambling game, gaming device, inter-casino linked**
41 **system, slot machine, race book or sports pool;**

42 **(b) To provide or maintain any information service; or**

(c) To receive, directly or indirectly, any compensation or reward or any percentage or share of the money or property played, for keeping, running or carrying on any gambling game, slot machine, gaming device, race book or sports pool, without having first procured, and thereafter maintaining in effect, all federal, state, county and municipal gaming licenses as required by statute, regulation or ordinance or by the governing board of any unincorporated town.

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

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

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

3. Except as otherwise provided in subsection 4, it is unlawful for any person knowingly to permit any gambling game, slot machine, gaming device, inter-casino linked system, race book or sports pool to be conducted, operated, dealt or carried on in any house or building or other premises owned by him, in whole or in part, by a person who is not licensed pursuant to this chapter, or his employee.

4. The commission may, by regulation, authorize a person to own or lease gaming devices for the limited purpose of display or use in the person's private residence without procuring a state gaming license.

5. As used in this section, "affiliated licensee" has the meaning ascribed to it in NRS 463.430.

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

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

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

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

(b) A person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of this state or to the effective regulation and control of gaming or charitable

1 lotteries, or create or enhance the dangers of unsuitable, unfair or illegal
2 practices, methods and activities in the conduct of gaming or charitable
3 lotteries or in the carrying on of the business and financial arrangements
4 incidental thereto; and

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

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

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

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

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

14 (2) From a suitable source.

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

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

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

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

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

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

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

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

7. The commission may, by regulation:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6 463.370 1. Except as otherwise provided in NRS 463.373, the
7 commission shall charge and collect from each licensee a license fee based
8 upon all the gross revenue of the licensee as follows:

9
10 Three percent of all the gross revenue of the licensee which does not
11 exceed \$50,000 per calendar month;

12 Four percent of all the gross revenue of the licensee which exceeds
13 \$50,000 per calendar month and does not exceed \$134,000 per
14 calendar month; and

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

17
18 2. Unless the licensee has been operating for less than a full calendar
19 month, the commission shall charge and collect the fee prescribed in
20 subsection 1, based upon the gross revenue for the preceding calendar
21 month, on or before the 24th day of the following month. Except for the fee
22 based on the first full month of operation, the fee is an estimated payment
23 of the license fee for the third month following the month whose gross
24 revenue is used as its basis.

25 3. When a licensee has been operating for less than a full calendar
26 month, the commission shall charge and collect the fee prescribed in
27 subsection 1, based on the gross revenue received during that month, on or
28 before the 24th day of the following calendar month of operation. After the
29 first full calendar month of operation, the commission shall charge and
30 collect the fee based on the gross revenue received during that month, on or
31 before the 24th day of the following calendar month. The payment of the
32 fee due for the first full calendar month of operation must be accompanied
33 by the payment of a fee equal to three times the fee for the first full
34 calendar month. This additional amount is an estimated payment of the
35 license fees for the next 3 calendar months. Thereafter, each license fee
36 must be paid in the manner described in subsection 2. Any deposit held by
37 the commission on July 1, 1969, must be treated as an advance estimated
38 payment.

39 4. All revenue received from any game or gaming device which is
40 operated on the premises of a licensee, regardless of whether any portion of
41 the revenue is shared with any other person, must be attributed to the
42 licensee for the purposes of this section and counted as part of the gross
43 revenue of the licensee. Any other person , *including, without limitation,*

1 *an operator of an inter-casino linked system*, who is authorized to receive
2 a share of the revenue *from any game, gaming device or inter-casino*
3 *linked system that is operated on the premises of a licensee* is liable to the
4 licensee for ~~his~~ *that person's* proportionate share of the license fees paid
5 *by the licensee* pursuant to this section ~~and~~ *and shall remit or credit the full*
6 *proportionate share to the licensee on or before the 24th day of each*
7 *calendar month. A licensee is not liable to any other person authorized to*
8 *receive a share of the licensee's revenue from any game, gaming device*
9 *or inter-casino linked system that is operated on the premises of the*
10 *licensee for that person's proportionate share of the license fees to be*
11 *remitted or credited to the licensee pursuant to this section.*

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

18 6. Any person required to pay a fee pursuant to this section shall file
19 with the commission, on or before the 24th day of each calendar month, a
20 report showing the amount of all gross revenue received during the
21 preceding calendar month. Each report must be accompanied by:

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

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

28 ~~16.1~~ 7. If the amount of license fees required to be reported and paid
29 pursuant to this section is later determined to be greater or less than the
30 amount actually reported and paid, the commission shall:

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

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

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

38 ~~17.1~~ 8. Failure to pay the fees provided for in this section shall be
39 deemed a surrender of the license at the expiration of the period for which
40 the estimated payment of fees has been made, as established in subsection
41 2.

42 ~~18.1~~ 9. Except as otherwise provided in NRS 463.386, the amount of
43 the fee prescribed in subsection 1 must not be prorated.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 *person's proportionate share of the license fees to be remitted or credited*
2 *to the licensee pursuant to this section.*

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

4 463.385 1. In addition to any other license fees and taxes imposed by
5 this chapter, there is hereby imposed upon each slot machine operated in
6 this state an annual excise tax of \$250. If a slot machine is replaced by
7 another, the replacement is not considered a different slot machine for the
8 purpose of imposing this tax.

9 2. The commission shall:

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

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

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

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

30 4. The commission shall pay over the tax as collected to the state
31 treasurer to be deposited to the credit of the state distributive school
32 account in the state general fund, and the capital construction fund for
33 higher education and the special capital construction fund for higher
34 education, which are hereby created in the state treasury as special revenue
35 funds, in the amounts and to be expended only for the purposes specified in
36 this section.

37 ~~[4.]~~ 5. During each fiscal year the state treasurer shall deposit the tax
38 paid over to him by the commission as follows:

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

41 (b) Twenty percent of the tax in the special capital construction fund for
42 higher education;

and

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

3 ~~[5.]~~ 6. There is hereby appropriated from the balance in the special
4 capital construction fund for higher education on July 31 of each year the
5 amount necessary to pay the principal and interest due in that fiscal year on
6 the bonds issued pursuant to section 5 of chapter 679, Statutes of Nevada
7 1979, as amended by chapter 585, Statutes of Nevada 1981, at page 1251,
8 the bonds authorized to be issued by section 2 of chapter 643, Statutes of
9 Nevada 1987, [at page 1503](#), the bonds authorized to be issued by section 2
10 of chapter 614, Statutes of Nevada 1989, [at page 1377](#), the bonds
11 authorized to be issued by section 2 of chapter 718, Statutes of Nevada
12 1991, [at page 2382](#), and the bonds authorized to be issued by section 2 of
13 chapter 629, Statutes of Nevada 1997 ~~[.]~~, [at page 3106](#). If in any year the
14 balance in that fund is not sufficient for this purpose, the remainder
15 necessary is hereby appropriated on July 31 from the capital construction
16 fund for higher education. The balance remaining unappropriated in the
17 capital construction fund for higher education on August 1 of each year and
18 all amounts received thereafter during the fiscal year must be transferred to
19 the state general fund for the support of higher education. If bonds
20 described in this subsection are refunded and if the amount required to pay
21 the principal of and interest on the refunding bonds in any fiscal year
22 during the term of the bonds is less than the amount that would have been
23 required in the same fiscal year to pay the principal of and the interest on
24 the original bonds if they had not been refunded, there is appropriated to
25 the University and Community College System of Nevada an amount
26 sufficient to pay the principal of and interest on the original bonds, as if
27 they had not been refunded. The amount required to pay the principal of
28 and interest on the refunding bonds must be used for that purpose from the
29 amount appropriated. The amount equal to the saving realized in that fiscal
30 year from the refunding must be used by the University and Community
31 College System of Nevada to defray, in whole or in part, the expenses of
32 operation and maintenance of the facilities acquired in part with the
33 proceeds of the original bonds.

34 ~~[6.]~~ 7. After the requirements of subsection ~~[5]~~ 6 have been met for
35 each fiscal year, when specific projects are authorized by the legislature,
36 money in the capital construction fund for higher education and the special
37 capital construction fund for higher education must be transferred by the
38 state controller and the state treasurer to the state public works board for
39 the construction of capital improvement projects for the University and
40 Community College System of Nevada, including, but not limited to,
41 capital improvement projects for the community colleges of the University
42 and Community College System of Nevada. As used in this subsection,
43 "construction" includes, but is not limited to, planning, designing, acquiring

1 and developing a site, construction, reconstruction, furnishing, equipping,
2 replacing, repairing, rehabilitating, expanding and remodeling. Any money
3 remaining in either fund at the end of a fiscal year does not revert to the
4 state general fund but remains in those funds for authorized expenditure.

5 ~~17.1~~ 8. The money deposited in the state distributive school account in
6 the state general fund under this section must be apportioned as provided in
7 NRS 387.030 among the several school districts of the state at the times
8 and in the manner provided by law.

9 ~~18.1~~ 9. The board of regents of the University of Nevada may use any
10 money in the capital construction fund for higher education and the special
11 capital construction fund for higher education for the payment of interest
12 and amortization of principal on bonds and other securities, whether issued
13 before, on or after July 1, 1979, to defray in whole or in part the costs of
14 any capital project authorized by the legislature.

15 **Sec. 12.** An inter-casino linked system that is being operated on the
16 effective date of this act may continue to be operated in accordance with
17 the provisions of this act until the earlier of December 31, 1999, or the date
18 on which the operator of the inter-casino linked system is separately
19 licensed and the inter-casino linked system is separately approved by the
20 commission pursuant to regulations adopted by the commission. No inter-
21 casino linked system may be operated or exposed for play after December
22 31, 1999, unless all licenses and approvals have been obtained by the
23 operator of the inter-casino linked system in accordance with the provisions
24 of this act and the regulations adopted by the commission pursuant thereto.

25 **Sec. 13.** This act becomes effective upon passage and approval.