

SENATE BILL NO. 88—SENATOR NEAL

FEBRUARY 3, 1999

Referred to Committee on Taxation

SUMMARY—Increases state license fee on gaming. (BDR 41-76)

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 ~~{omitted material}~~ is material to be omitted.

AN ACT relating to gaming; increasing the state license fee charged to a gaming licensee based upon all the gross revenue of the licensee; 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 463.370 is hereby amended to read as follows:
2 463.370 1. Except as otherwise provided in NRS 463.373, the
3 commission shall charge and collect from each licensee a license fee based
4 upon all the gross revenue of the licensee as follows:
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6 Three percent of all the gross revenue of the licensee which does not
7 exceed \$50,000 per calendar month;
8 Four percent of all the gross revenue of the licensee which exceeds
9 \$50,000 per calendar month and does not exceed \$134,000 per
10 calendar month; ~~{and}~~
11 Six and one-quarter percent of all the gross revenue of the licensee
12 which exceeds \$134,000 per calendar month ~~{-}~~ ***and does not***
13 ***exceed \$1,000,000 per calendar month; and***
14 ***Eight and one-quarter percent of all the gross revenue of the***
15 ***licensee which exceeds \$1,000,000 per calendar month.***
16
17 2. Unless the licensee has been operating for less than a full calendar
18 month, the commission shall charge and collect the fee prescribed in subsection 1,
19 based upon the gross revenue for the preceding calendar
20 month, on or before the 24th day of the following month. Except for the fee

1 based on the first full month of operation, the fee is an estimated payment
2 of the license fee for the third month following the month whose gross
3 revenue is used as its basis.

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

18 4. All revenue received from any game or gaming device which is
19 operated on the premises of a licensee, regardless of whether any portion of
20 the revenue is shared with any other person, must be attributed to the
21 licensee for the purposes of this section and counted as part of the gross
22 revenue of the licensee. Any other person who is authorized to receive a
23 share of the revenue is liable to the licensee for his proportionate share of
24 the license fees paid pursuant to this section.

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

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

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

35 6. If the amount of license fees required to be reported and paid
36 pursuant to this section is later determined to be greater or less than the
37 amount actually reported and paid, the commission shall:

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

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

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

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

9 8. Except as otherwise provided in NRS 463.386, the amount of the fee
10 prescribed in subsection 1 must not be prorated.

11 9. Except as otherwise provided in NRS 463.386, if a licensee ceases
12 operation, the commission shall:

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

15 (b) Refund any overpayment, with interest thereon, to the licensee,
16 based upon the gross revenue of the licensee during the last 3 months
17 immediately preceding the cessation of operation, or portions of those last
18 3 months.

19 10. If in any month, the amount of gross revenue is less than zero, the
20 licensee may offset the loss against gross revenue in succeeding months
21 until the loss has been fully offset.

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

25 **Sec. 2.** This act becomes effective on July 1, 1999.