

ASSEMBLY BILL NO. 296—ASSEMBLYMEN BERMAN, GIBBONS, MANENDO,
BEERS, OHRENSCHALL, ANGLE, BACHE, BROWER, CARPENTER,
CEGAVSKE, CHOWNING, CLABORN, COLLINS, FREEMAN,
GIUNCHIGLIANI, GOLDWATER, GUSTAVSON, HETTRICK, HUMKE,
LEE, LESLIE, MARVEL, MCCLAIN, MORTENSON, NOLAN,
OCEGUERA, PARKS, PARNELL, PRICE, SMITH, TIFFANY,
VON TOBEL AND WILLIAMS

MARCH 7, 2001

JOINT SPONSORS: SENATORS SCHNEIDER, CARLTON,
AMODEI, SHAFFER AND WIENER

Referred to Committee on Judiciary

SUMMARY—Enacts provisions governing licensing and operation of interactive gaming.
(BDR 41-706)

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

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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; authorizing the Nevada gaming commission to adopt regulations governing the licensing and operation of interactive gaming if the commission first makes certain determinations; providing that a license to operate interactive gaming may be issued only to a resort hotel and that gross revenue received from interactive gaming is subject to taxation in the same manner as gross revenue received from other games; prohibiting a person from operating interactive gaming until the commission adopts regulations and unless the person procures and maintains all licenses required pursuant to the regulations; 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.** Chapter 463 of NRS is hereby amended by adding thereto a
2 new section to read as follows:

3 *1. Except as otherwise provided in subsections 2 and 3, the*
4 *commission may, with the advice and assistance of the board, adopt*
5 *regulations governing the licensing and operation of interactive gaming.*



* A B 2 9 6 *

- 1 2. The commission may not adopt regulations governing the
2 licensing and operation of interactive gaming until the commission first
3 determines that:
- 4 (a) Interactive gaming can be operated in compliance with all
5 applicable laws;
- 6 (b) Interactive gaming systems are secure and reliable, and provide
7 reasonable assurance that players will be of lawful age and
8 communicating only from jurisdictions where it is lawful to make such
9 communications; and
- 10 (c) Adoption of such regulations is consistent with the public policy of
11 the state to foster the stability and success of gaming.
- 12 3. The regulations adopted by the commission pursuant to this
13 section must provide that:
- 14 (a) The commission may not approve a license for an establishment to
15 operate interactive gaming unless the establishment is a resort hotel that
16 holds a nonrestricted license.
- 17 (b) Gross revenue received by a resort hotel from the operation of
18 interactive gaming is subject to the provisions of NRS 463.370 in the
19 same manner as gross revenue received by the resort hotel from the
20 operation of its other games.
- 21 4. It is unlawful for any person, either as owner, lessee or employee,
22 whether for hire or not, either solely or in conjunction with others, to
23 operate interactive gaming:
- 24 (a) Until the commission adopts regulations pursuant to this section;
25 and
- 26 (b) Unless the person first procures, and thereafter maintains in
27 effect, all appropriate licenses as required by the regulations adopted by
28 the commission pursuant to this section.
- 29 5. A person who violates subsection 4 is guilty of a category B felony
30 and shall be punished by imprisonment in the state prison for a
31 minimum term of not less than 1 year and a maximum term of not more
32 than 10 years, by a fine of not more than \$50,000, or by both fine and
33 imprisonment.
- 34 6. As used in this section:
- 35 (a) "Communications technology" means any method used and the
36 components employed by a resort hotel to facilitate the transmission of
37 information, including, without limitation, transmission and reception by
38 systems based on wire, cable, radio, microwave, light, optics, or computer
39 data networks, including, without limitation, the Internet and intranets.
- 40 (b) "Interactive gaming" means the conduct of gambling games
41 through the use of communications technology that allows a person
42 outside or within a resort hotel to transmit to a computer within the
43 resort hotel information to assist in the placing of a bet or wager and
44 corresponding information related to the display of the game, game
45 outcomes or other similar information.
- 46 Sec. 2. The amendatory provisions of this act do not apply to offenses
47 committed before the effective date of this act.
- 48 Sec. 3. This act becomes effective upon passage and approval.

