

ASSEMBLY BILL NO. 456—ASSEMBLYMEN GUSTAVSON, PRICE, ANGLE,
BEERS, BERMAN, CARPENTER, CEGAVSKE, GIBBONS, HETTRICK,
HUMKE, MORTENSON AND NEIGHBORS

MARCH 19, 2001

Referred to Committee on Government Affairs

SUMMARY—Provides for issuance of gaming tokens by State of Nevada. (BDR 19-506)

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

~

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

AN ACT relating to gaming tokens; creating an advisory committee on gaming tokens;
authorizing the minting of gaming tokens of the State of Nevada; providing for
the issuance of the gaming tokens by a holder of a nonrestricted license under
certain circumstances; 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 235 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2, 3 and 4 of this act.
3 **Sec. 2. 1. *The governor shall appoint an advisory committee on***
4 ***gaming tokens consisting of five interested persons.***
5 ***2. The committee shall advise the administrator of the division of***
6 ***museums and history of the department of museums, library and arts***
7 ***concerning the minting of gaming tokens of the State of Nevada.***
8 ***3. The committee may solicit and accept gifts, grants and other***
9 ***contributions to pay the costs relating to minting the first issuance of the***
10 ***gaming tokens and the expenses of the committee. Any such***
11 ***contributions must be deposited in the account for the minting of gaming***
12 ***tokens of the State of Nevada that is hereby created in the state general***
13 ***fund. The account must be administered by the administrator of the***
14 ***division of museums and history.***
15 ***4. The members of the committee shall serve without compensation***
16 ***or reimbursement of expenses until the balance in the account for the***
17 ***minting of gaming tokens is sufficient, as determined by the***
18 ***administrator, to pay the expenses of the committee. Once the***
19 ***administrator has determined that the expenses of the committee may be***
20 ***paid from the account, each member is entitled to receive the per diem***



* A B 4 5 6 R 2 *

1 allowance and travel expenses provided for state officers and employees
2 generally for each day or portion of a day in which the member is
3 engaged in the business of the committee, but only to the extent of the
4 balance of money in the account.

5 **Sec. 3.** 1. If sufficient funding is provided by the advisory
6 committee on gaming tokens created pursuant to section 2 of this act, the
7 administrator of the division of museums and history of the department
8 of museums, library and arts, after consulting with the executive director
9 of the commission on tourism and the administrator of the division of
10 minerals of the commission on mineral resources, may contract with:

11 (a) A holder of a nonrestricted license issued pursuant to chapter 463
12 of NRS to supply gaming tokens to the holder of the nonrestricted license
13 pursuant to this section and sections 2 and 4 of this act; and

14 (b) A person who has experience in minting tokens to mint gaming
15 tokens for the holder of the nonrestricted license on Press No. 1 of the
16 Carson City Mint or at such other locations as the administrator deems
17 appropriate.

18 2. Each contract to supply gaming tokens to the holder of a
19 nonrestricted license entered into pursuant to paragraph (a) of
20 subsection 1 must include a provision requiring the holder of the
21 nonrestricted license to pay the fair market value of the tokens as
22 determined by the administrator of the division of museums and history.
23 In making that determination, the administrator shall consider:

24 (a) The cost of producing the gaming tokens or similar gaming
25 tokens;

26 (b) The average margin of profit in the industry for producing gaming
27 tokens; and

28 (c) The value to collectors of gaming tokens minted pursuant to this
29 section and sections 2 and 4 of this act.

30 3. The administrator of the division of museums and history may
31 cause the dies for the tokens to be made by contracting with an engraver
32 directly or may include the making of the dies in the contract for the
33 minting of the tokens, but the dies used to produce the tokens must
34 become and remain property of the State of Nevada.

35 4. Each token must contain 1 ounce of fine silver. The tokens must
36 be minted from silver refined from ore mined in Nevada if available at
37 the current United States market price. If it is not so available, ore newly
38 mined in the United States may be used. The amount of fine silver used
39 must be clearly indicated on each token.

40 5. Each person who enters into a contract with the administrator of
41 the division of museums and history pursuant to this section shall comply
42 with all applicable statutes and regulations relating to gaming tokens.
43 The administrator shall ensure that each contract entered into with the
44 person includes a provision that requires the person to comply with those
45 statutes and regulations.

46 **Sec. 4.** 1. Each token minted pursuant to section 3 of this act must
47 bear on its obverse The Great Seal of the State of Nevada and on its
48 reverse, in an appropriate design selected by the holder of a nonrestricted
49 license for whom the token is minted:



- 1 (a) *A designation of the face value of the token;*
- 2 (b) *The Carson City Mint Mark on those tokens struck at the Nevada*
- 3 *State Museum and an appropriate mint mark on those tokens struck at*
- 4 *other locations;*
- 5 (c) *If the token is numbered, the number of the order in which that*
- 6 *particular token was minted;*
- 7 (d) *The phrase “Contains 1 Ounce of Fine Silver”; and*
- 8 (e) *The year in which the token was minted.*
- 9 2. *Not more than 500 numbered tokens may be minted in each*
- 10 *design selected pursuant to subsection 1.*
- 11 3. *A holder of a nonrestricted license who purchases gaming tokens*
- 12 *pursuant to a contract entered into in accordance with paragraph (a) of*
- 13 *subsection 1 of section 3 of this act may issue those gaming tokens to the*
- 14 *members of the general public. The gaming tokens may be redeemed only*
- 15 *by the holder of the nonrestricted license.*
- 16 4. *The proceeds of the sale of gaming tokens by the administrator of*
- 17 *the division of museums and history pursuant to section 3 of this act*
- 18 *must be deposited in an account in the state general fund and accounted*
- 19 *for separately. Interest and income earned on the money in the account*
- 20 *must be credited to the account and the balance in the account at the end*
- 21 *of the fiscal year up to \$300,000 does not revert to the state general fund.*
- 22 *The money in the account must be used to pay the costs of making and*
- 23 *selling additional tokens in accordance with this section and sections 2*
- 24 *and 3 of this act.*
- 25 **Sec. 5.** This act becomes effective on July 1, 2001.

