

ASSEMBLY BILL NO. 466—ASSEMBLYMEN LESLIE, PARKS, PARNELL,
GIBBONS, ANDERSON, BROWER, CHOWNING, FREEMAN,
GIUNCHIGLIANI, HUMKE, SMITH AND TIFFANY

MARCH 19, 2001

JOINT SPONSOR: SENATOR MATHEWS

Referred to Committee on Judiciary

SUMMARY—Enacts provisions governing licensing and operation of interactive gaming and revises various provisions relating to gaming. (BDR 41-244)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: 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; 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 resort hotels or certain other establishments holding nonrestricted licenses; providing for certain license fees relating to interactive gaming; providing that gross revenue received from interactive gaming is subject to taxation in the same manner as gross revenue received from other games; exempting the operation of interactive gaming from certain other fees and taxes; revising the computation of interest payable by the commission on the overpayment of certain fees and taxes; 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 for the enforceability of gaming debts incurred pursuant to an interactive gaming system; providing for the licensure and regulation of manufacturers of interactive gaming systems and manufacturers of equipment associated with interactive gaming; revising provisions relating to persons who acquire a certain beneficial ownership in a publicly traded corporation registered with the commission; revising the definitions of “gaming employee” and “manufacturer” for the purposes of the Nevada Gaming Control Act; revising provisions governing applications for restricted licenses; providing for the issuance of statewide work permits for gaming employees; establishing a maximum fee for the issuance of such work permits; revising various provisions governing the listing, investigation and disqualification of personnel of a labor organization for gaming employees; prohibiting certain fraudulent acts concerning gaming; providing penalties; and providing other matters properly relating thereto.



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THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 463 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 9, inclusive, of this act.

Sec. 2. 1. *“Interactive gaming” means the conduct of gambling games through the use of communications technology that allows a person, utilizing money, checks, electronic checks, electronic transfers of money, credit cards, debit cards or any other instrumentality, to transmit to a computer information to assist in the placing of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. The term does not include the operation of a race book or sports pool that uses communications technology approved by the board pursuant to regulations adopted by the commission to accept wagers originating within this state for races or sporting events.*

2. As used in this section, “communications technology” means any method used and the components employed by an establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wire, cable, radio, microwave, light, optics or computer data networks, including, without limitation, the Internet and intranets.

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

2. The commission may not adopt regulations governing the licensing and operation of interactive gaming until the commission first determines that:

(a) Interactive gaming can be operated in compliance with all applicable laws;

(b) Interactive gaming systems are secure and reliable, and provide reasonable assurance that players will be of lawful age and communicating only from jurisdictions where it is lawful to make such communications; and

(c) Such regulations are consistent with the public policy of the state to foster the stability and success of gaming.

3. *The regulations adopted by the commission pursuant to this section must:*

(a) Establish the investigation fees for:

(1) A license to operate interactive gaming;

(2) A license for a manufacturer of interactive gaming systems; and

(3) A license for a manufacturer of equipment associated with interactive gaming.

(b) Provide that:

(1) A person must hold a license for a manufacturer of interactive gaming systems to supply or provide any interactive gaming system, including, without limitation, any piece of proprietary software or hardware; and



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1 (2) A person may be required by the commission to hold a license
2 for a manufacturer of equipment associated with interactive gaming.

3 (c) Set forth standards for the suitability of a person to be licensed as
4 a manufacturer of interactive gaming systems or manufacturer of
5 equipment associated with interactive gaming that are as stringent as the
6 standards for a nonrestricted license.

7 (d) Provide that gross revenue received by an establishment from the
8 operation of interactive gaming is subject to the same license fee
9 provisions of NRS 463.370 as the games and gaming devices of the
10 establishment.

11 (e) Set forth standards for the location and security of the computer
12 system and for approval of hardware and software used in connection
13 with interactive gaming.

14 (f) Define "equipment associated with interactive gaming,"
15 "interactive gaming system," "manufacturer of equipment associated
16 with interactive gaming," "manufacturer of interactive gaming systems,"
17 "operate interactive gaming" and "proprietary hardware and software"
18 as the terms are used in this chapter.

19 4. Except as otherwise provided in subsection 5, the commission
20 shall not approve a license for an establishment to operate interactive
21 gaming unless:

22 (a) In a county whose population is 400,000 or more, the
23 establishment is a resort hotel that holds a nonrestricted license to
24 operate games and gaming devices.

25 (b) In a county whose population is more than 40,000 but less than
26 400,000, the establishment is a resort hotel that holds a nonrestricted
27 license to operate games and gaming devices or the establishment:

28 (1) Holds a nonrestricted license for the operation of games and
29 gaming devices;

30 (2) Has more than 120 rooms available for sleeping
31 accommodations in the same county;

32 (3) Has at least one bar with permanent seating capacity for more
33 than 30 patrons that serves alcoholic beverages sold by the drink for
34 consumption on the premises;

35 (4) Has at least one restaurant with permanent seating capacity for
36 more than 60 patrons that is open to the public 24 hours each day and 7
37 days each week; and

38 (5) Has a gaming area that is at least 18,000 square feet in area
39 with at least 1,600 slot machines, 40 table games, and a sports book and
40 race pool.

41 (c) In all other counties, the establishment is a resort hotel that holds
42 a nonrestricted license to operate games and gaming devices or the
43 establishment:

44 (1) Has held a nonrestricted license for the operation of games and
45 gaming devices for at least 5 years before the date of its application for a
46 license to operate interactive gaming;

47 (2) Meets the definition of group 1 licensee as set forth in the
48 regulations of the commission on the date of its application for a license
49 to operate interactive gaming; and



- 1 (3) Operates either:
2 (I) More than 50 rooms for sleeping accommodations in
3 connection therewith; or
4 (II) More than 50 gaming devices in connection therewith.
5 5. The commission may:
6 (a) Issue a license to operate interactive gaming to an affiliate of an
7 establishment if:
8 (1) The establishment satisfies the applicable requirements set forth
9 in subsection 4; and
10 (2) The affiliate is located in the same county as the establishment;
11 and
12 (b) Require an affiliate that receives a license pursuant to this
13 subsection to comply with any applicable provision of this chapter.
14 6. It is unlawful for any person, either as owner, lessee or employee,
15 whether for hire or not, either solely or in conjunction with others, to
16 operate interactive gaming:
17 (a) Until the commission adopts regulations pursuant to this section;
18 and
19 (b) Unless the person first procures, and thereafter maintains in
20 effect, all appropriate licenses as required by the regulations adopted by
21 the commission pursuant to this section.
22 7. A person who violates subsection 6 is guilty of a category B felony
23 and shall be punished by imprisonment in the state prison for a
24 minimum term of not less than 1 year and a maximum term of not more
25 than 10 years or by a fine of not more than \$50,000, or both.
26 Sec. 4. A debt incurred by a patron for play at an interactive gaming
27 system of an establishment licensed to operate interactive gaming is valid
28 and may be enforced by legal process.
29 Sec. 5. 1. Upon the recommendation of the board, the commission
30 may require:
31 (a) A manufacturer of equipment associated with interactive gaming
32 who sells, transfers or offers equipment associated with interactive
33 gaming for use or play in this state to file an application for a license to
34 be a manufacturer of equipment associated with interactive gaming.
35 (b) A person who directly or indirectly involves himself in the sale,
36 transfer or offering for use or play in this state of equipment associated
37 with interactive gaming who is not otherwise required to be licensed as a
38 manufacturer or distributor pursuant to this chapter to file an
39 application for a license to be a manufacturer of equipment associated
40 with interactive gaming.
41 2. If a person fails to submit an application for a license to be a
42 manufacturer of equipment associated with interactive gaming within 30
43 days after a demand by the commission pursuant to this section, the
44 commission may pursue any remedy or combination of remedies
45 provided in this chapter.
46 Sec. 6. 1. Before issuing an initial license for an establishment to
47 operate interactive gaming, the commission shall charge and collect from
48 the establishment a license fee of \$500,000.



1 2. Each initial license for an establishment to operate interactive
2 gaming must be issued for a 2-year period beginning on January 1 of the
3 first year and ending on December 31 of the second year.

4 3. Notwithstanding the provisions of subsections 1 and 2 to the
5 contrary, a license for an establishment to operate interactive gaming
6 may be issued after January 1 of a calendar year for a period beginning
7 on the date of issuance of the license and ending on the second
8 December 31 following the date of issuance of the license. Before issuing
9 an initial license pursuant to this subsection, the commission shall
10 charge and collect from the establishment a license fee of \$500,000
11 prorated by 1/24 for each full month between January 1 of the calendar
12 year and the date of issuance of the license.

13 4. Before renewing a license issued pursuant to this section, but in
14 no case later than the second December 31 after the license was issued or
15 previously renewed, the commission shall charge and collect a renewal
16 fee of \$250,000 for the renewal of the license for the immediately
17 following 1-year period.

18 Sec. 7. The operation of interactive gaming is exempt from the fees
19 and taxes imposed pursuant to NRS 463.375, 463.380, 463.383 and
20 463.385.

21 Sec. 8. 1. Before issuing a license for a manufacturer of
22 interactive gaming systems or manufacturer of equipment associated with
23 interactive gaming, the commission shall charge and collect a
24 license fee of:

25 (a) One hundred and twenty-five thousand dollars for a license for a
26 manufacturer of interactive gaming systems; or

27 (b) Fifty thousand dollars for a license for a manufacturer of
28 equipment associated with interactive gaming.

29 2. Each license issued pursuant to this section must be issued for a 1-
30 year period that begins on the date the license is issued.

31 3. Before renewing a license issued pursuant to this section, but in
32 no case later than 1 year after the license was issued or previously
33 renewed, the commission shall charge and collect a renewal fee for the
34 renewal of the license for the immediately following 1-year period. The
35 renewal fee for a license for a manufacturer of interactive gaming
36 systems or manufacturer of equipment associated with interactive
37 gaming is \$25,000.

38 Sec. 9. 1. All gross revenue from operating interactive gaming
39 received by an establishment licensed to operate interactive gaming,
40 regardless of whether any portion of the revenue is shared with another
41 person, must be attributed to the licensee and counted as part of the gross
42 revenue of the licensee for the purpose of computing the license fee
43 required by NRS 463.370.

44 2. A manufacturer of interactive gaming systems who is authorized
45 by an agreement to receive a share of the revenue from an interactive
46 gaming system from an establishment licensed to operate interactive
47 gaming is liable to the establishment for a portion of the license fee paid
48 pursuant to subsection 1. The portion for which the manufacturer of
49 interactive gaming systems is liable is 6.25 percent of the amount of



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1 *revenue to which the manufacturer of interactive gaming systems is*
2 *entitled pursuant to the agreement.*

3 3. *For the purposes of subsection 2, the amount of revenue to which*
4 *the manufacturer of interactive gaming systems is entitled pursuant to an*
5 *agreement to share the revenue from an interactive gaming system:*

6 (a) *Includes all revenue of the manufacturer of interactive gaming*
7 *systems that is his share of the revenue from the interactive gaming*
8 *system pursuant to the agreement; and*

9 (b) *Does not include revenue that is the fixed purchase price for the*
10 *sale of a component of the interactive gaming system.*

11 **Sec. 10.** NRS 463.013 is hereby amended to read as follows:

12 463.013 As used in this chapter, unless the context otherwise requires,
13 the words and terms defined in NRS 463.0133 to 463.0197, inclusive, *and*
14 *section 2 of this act*, have the meanings ascribed to them in those sections.

15 **Sec. 11.** NRS 463.0157 is hereby amended to read as follows:

16 463.0157 1. "Gaming employee" means any person connected
17 directly with an operator of a slot route, the operator of a pari-mutuel
18 system, the operator of an inter-casino linked system or a manufacturer,
19 distributor or disseminator, or with the operation of a gaming establishment
20 licensed to conduct any game, 16 or more slot machines, a race book,
21 sports pool or pari-mutuel wagering, including:

22 (a) Accounting or internal auditing personnel who are directly involved
23 in any recordkeeping or the examination of records associated with revenue
24 from gaming;

25 (b) Boxmen;

26 (c) Cashiers;

27 (d) Change personnel;

28 (e) Counting room personnel;

29 (f) Dealers;

30 (g) Employees of a person required by NRS 464.010 to be licensed to
31 operate an off-track pari-mutuel system;

32 (h) Employees of a person required by NRS 463.430 to be licensed to
33 disseminate information concerning racing;

34 (i) Employees of manufacturers or distributors of gaming equipment
35 within this state whose duties are directly involved with the manufacture,
36 repair or distribution of gaming devices, ~~to~~ cashless wagering systems
37 ~~to~~, *interactive gaming systems or equipment associated with interactive*
38 *gaming;*

39 (j) Employees of operators of slot routes who have keys for slot
40 machines or who accept and transport revenue from the slot drop;

41 (k) Employees of operators of inter-casino linked systems *or interactive*
42 *gaming systems* whose duties include the operational or supervisory
43 control of the systems or the games that are part of the systems;

44 (l) Floormen;

45 (m) Hosts or other persons empowered to extend credit or
46 complimentary services;

47 (n) Keno runners;

48 (o) Keno writers;

49 (p) Machine mechanics;



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- 1 (q) Odds makers and line setters;
- 2 (r) Security personnel;
- 3 (s) Shift or pit bosses;
- 4 (t) Shills;
- 5 (u) Supervisors or managers;
- 6 (v) Ticket writers; and
- 7 (w) Employees of a person required by NRS 463.160 to be licensed to
- 8 operate an information service.

9 2. "Gaming employee" does not include bartenders, cocktail waitresses
10 or other persons engaged exclusively in preparing or serving food or
11 beverages.

12 **Sec. 12.** NRS 463.0172 is hereby amended to read as follows:

13 463.0172 "Manufacturer" means a person who:

14 1. Manufactures, assembles, programs or makes modifications to a
15 gaming device , ~~for~~ cashless wagering system ~~for~~ *or interactive gaming*
16 *system*; or

17 2. Designs, *assumes responsibility for the design of*, controls the
18 design or assembly *of*, or maintains a copyright over the design of , a
19 mechanism, electronic circuit or computer program which cannot be
20 reasonably demonstrated to have any application other than in a gaming
21 device , ~~for in a~~ cashless wagering system ~~for~~ *or interactive gaming*
22 *system* for use or play in this state or for distribution outside of this state.

23 **Sec. 13.** NRS 463.0197 is hereby amended to read as follows:

24 463.0197 "Work permit" means any card, certificate or permit issued
25 by the board or by a county or city licensing authority, whether
26 denominated as a work permit, registration card or otherwise, authorizing
27 the holder to be employed as a gaming employee *in this state* or to serve as
28 an independent agent. A document issued by any governmental authority
29 for any employment other than gaming is not a valid work permit for the
30 purposes of this chapter.

31 **Sec. 14.** NRS 463.200 is hereby amended to read as follows:

32 463.200 1. Application for a state gaming license or other
33 commission action ~~shall~~ *must* be made to the board on forms furnished
34 by the board and in accordance with the regulations of the commission.

35 2. The application for a license ~~shall~~ *must* include:

- 36 (a) The name of the proposed licensee.
- 37 (b) The location of his place or places of business.
- 38 (c) The gambling games, gaming device or slot machines to be
39 operated.
- 40 (d) The names of all persons directly or indirectly interested in the
41 business and the nature of such interest.
- 42 (e) Such other information and details as the board may require in order
43 to discharge its duty properly.

44 3. *If the application is for a restricted license on premises not owned*
45 *by the applicant, the application must include a sworn and notarized*
46 *statement from the owner or lessor of the premises indicating whether*
47 *the consideration paid by the applicant for the use of the premises has*
48 *been or will be increased because of the operation of gaming on the*
49 *premises.*



1 **4.** The board shall furnish to the applicant supplemental forms, which
2 the applicant shall complete and file with the application. Such
3 supplemental forms ~~shall~~ **must** require, but ~~shall~~ **must** not be limited to,
4 complete information and details with respect to the applicant's
5 antecedents, habits, character, criminal record, business activities, financial
6 affairs and business associates, covering at least a 10-year period
7 immediately preceding the date of filing of the application.

8 **Sec. 15.** NRS 463.245 is hereby amended to read as follows:

9 463.245 1. Except as otherwise provided in ~~subsections 2, 3 and 4~~
10 **this section:**

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

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

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

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

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

36 **5. The provisions of this section do not apply to a license to operate**
37 **interactive gaming.**

38 **Sec. 16.** NRS 463.335 is hereby amended to read as follows:

39 463.335 1. The legislature finds that, to protect and promote the
40 health, safety, morals, good order and general welfare of the inhabitants of
41 the State of Nevada and to carry out the policy declared in NRS 463.0129,
42 it is necessary that the board:

43 (a) Ascertain and keep itself informed of the identity, prior activities
44 and present location of all gaming employees and independent agents in
45 the State of Nevada; and

46 (b) Maintain confidential records of such information.

47 2. Except as otherwise provided in ~~subsections 3 and 4,~~ **subsection 3,**
48 a person may not be employed as a gaming employee or serve as an
49 independent agent unless he is the holder of ~~+~~



1 ~~—(a) A valid work permit issued in accordance with the applicable~~
2 ~~ordinances or regulations of the county or city in which his duties are~~
3 ~~performed and the provisions of this chapter; or~~
4 ~~—(b) A valid work permit issued by the board, if a work permit is not~~
5 ~~required by either the county or the city.] a valid work permit to work as a~~
6 ~~gaming employee issued pursuant to this section. A work permit to work~~
7 ~~as a gaming employee may be issued by the board or by a county or city~~
8 ~~licensing authority. An applicant for a work permit shall file his~~
9 ~~application for a work permit with the licensing authority of the city in~~
10 ~~which he resides if that city requires a work permit. If the city in which~~
11 ~~he resides does not require such a permit, the applicant shall file his~~
12 ~~application with the licensing authority of the county in which he resides~~
13 ~~if that county requires a work permit. If the county in which he resides~~
14 ~~does not require such a permit, the applicant shall file his application~~
15 ~~with the board. The board shall, by regulation, prescribe the form for an~~
16 ~~application for a work permit to work as a gaming employee. The fee for~~
17 ~~such a permit may be charged only to cover the actual investigative and~~
18 ~~administrative costs related to processing an application for such a~~
19 ~~permit and must not exceed \$75.~~
20 3. An independent agent is not required to hold a work permit if he is
21 not a resident of this state and has registered with the board in accordance
22 with the provisions of the regulations adopted by the commission.
23 4. ~~[A person may be employed as a gaming employee for an operator~~
24 ~~of a slot machine route and perform duties for his employer in more than~~
25 ~~one county or city without obtaining a valid work permit for each county or~~
26 ~~city in which he performs those duties if the person holds:~~
27 ~~—(a) A valid work permit issued in accordance with the applicable~~
28 ~~ordinances or regulations of the county or city in which his duties are~~
29 ~~primarily performed and the provisions of this chapter; or~~
30 ~~—(b) A valid work permit issued by the board, if a work permit is not~~
31 ~~required by either the county or the city in which his duties are primarily~~
32 ~~performed.~~
33 ~~—5. A gaming employee described in subsection 4 shall notify the~~
34 ~~licensing authority of each city and county in which he performs duties for~~
35 ~~his employer, other than the licensing authority that issued his valid work~~
36 ~~permit, that he has obtained a valid work permit pursuant to subsection 4.~~
37 ~~—6.] Upon receipt of an application for a work permit to work as a~~
38 ~~gaming employee, the board or licensing authority shall conduct an~~
39 ~~investigation of the applicant to determine whether he is eligible for the~~
40 ~~permit. In conducting the investigation, the board or licensing authority~~
41 ~~shall forward a complete set of the applicant's fingerprints to the central~~
42 ~~repository for Nevada records of criminal history for submission to the~~
43 ~~Federal Bureau of Investigation for a report concerning the criminal~~
44 ~~history of the applicant. The investigation need not be limited solely to~~
45 ~~consideration of the results of the report concerning the criminal history~~
46 ~~of the applicant.~~
47 5. A work permit issued to a gaming employee or an independent
48 agent must have clearly imprinted thereon a statement that it is valid for
49 gaming purposes only.



6. Unless denied or objected to by the board at the time that the permittee filed a notice of a change in his place of employment pursuant to subsection 8 and unless suspended or revoked, such a permit expires on the fifth anniversary of the permittee's birthday, measured from the birthday nearest the date of issuance or renewal. If the date of birth of a permittee is on February 29 in a leap year, for the purposes of this section, his date of birth shall be deemed to be on February 28.

7. Whenever any person applies to a county or city licensing authority for the issuance or renewal of a work permit, the county or city officer or employee to whom the application is made shall within 24 hours mail or deliver a copy thereof to the board, and may at the discretion of the county or city licensing authority issue a temporary work permit ~~that is valid for 120 days.~~ If within ~~190~~ 120 days after receipt by the board of the copy of the application, the board has not notified the county or city licensing authority of any objection, the authority may issue, renew or deny a permanent work permit to the applicant.

8. A gaming employee who is issued a work permit ~~must obtain renewal of the permit from the issuing agency within 10 days following any change of his place of employment. An independent agent who is issued a work permit must obtain renewal of the permit from the issuing agency within 10 days after executing an agreement to serve as an independent agent within the jurisdiction of the issuing agency.~~

~~8.1~~ is eligible for employment in any licensed gaming establishment in this state until the work permit is denied or objected to by the board, expires or is revoked. However, each such employee shall notify the board within 10 days following any change of his place of employment at a gaming establishment. Such a notification shall be deemed an application for a work permit that the board may deny or object to after conducting any investigations the board deems appropriate. The provisions of subsections 9 to 16, inclusive, apply to any such objection of the board. The commission shall adopt regulations to:

(a) Facilitate uniform procedures for the issuance of work permits by counties and cities;

(b) Establish uniform criteria for denial by a county or city licensing authority of an application for a work permit; and

(c) Provide for the creation and maintenance of a system of records that contain information regarding the current place of employment of each person who possesses a valid work permit.

9. If the board, within the ~~190-day~~ 120-day period, notifies:

(a) The county or city licensing authority; and

(b) The applicant,

that the board objects to the granting of a work permit to the applicant, the authority shall deny the work permit and shall immediately revoke and repossess any temporary work permit which it may have issued. The notice of objection by the board which is sent to the applicant must include a statement of the facts upon which the board relied in making its objection.

~~9. Application for a work permit may be made to the board, and may be granted or denied for any cause deemed reasonable by the board.~~



1 **10.** Whenever *an application for a work permit is made to the board*
2 *and* the board denies such an application, it shall include in its notice of the
3 denial a statement of the facts upon which it relied in denying the
4 application. ~~Except for a permit issued to a person pursuant to subsection~~
5 ~~4, a permit issued by the board is valid only in a county or city that does~~
6 ~~not require a work permit.~~
7 ~~—10.~~ **11.** Any person whose application for a work permit has been
8 denied because of an objection by the board or whose application has been
9 denied by the board may, not later than 60 days after receiving notice of
10 the denial or objection, apply to the board for a hearing. A failure of a
11 person whose application has been denied to apply for a hearing within 60
12 days or his failure to appear at a hearing of the board conducted pursuant to
13 this section shall be deemed to be an admission that the denial or objection
14 is well founded, and the failure precludes administrative or judicial review.
15 At the hearing, the board shall take any testimony deemed necessary. After
16 the hearing the board shall review the testimony taken and any other
17 evidence, and shall within 45 days after the date of the hearing mail to the
18 applicant its decision sustaining or reversing the denial of the work permit
19 or the objection to the issuance of a work permit.
20 ~~11.~~ **12.** The board may object to the issuance of a work permit or
21 may refuse to issue a work permit for any cause deemed reasonable by the
22 board. The board may object or refuse if the applicant has:
23 (a) Failed to disclose or misstated information or otherwise attempted to
24 mislead the board with respect to any material fact contained in the
25 application for the issuance or renewal of a work permit;
26 (b) Knowingly failed to comply with the provisions of this chapter or
27 chapter 463B, 464 or 465 of NRS or the regulations of the commission at a
28 place of previous employment;
29 (c) Committed, attempted or conspired to commit any crime of moral
30 turpitude, embezzlement or larceny or any violation of any law pertaining
31 to gaming, or any crime which is inimical to the declared policy of this
32 state concerning gaming;
33 (d) Committed, attempted or conspired to commit a crime which is a
34 felony or gross misdemeanor in this state or an offense in another state or
35 jurisdiction which would be a felony or gross misdemeanor if committed in
36 this state;
37 (e) Been identified in the published reports of any federal or state
38 legislative or executive body as being a member or associate of organized
39 crime, or as being of notorious and unsavory reputation;
40 (f) Been placed and remains in the constructive custody of any federal,
41 state or municipal law enforcement authority; or
42 (g) Had a work permit revoked or committed any act which is a
43 ground for the revocation of a work permit or would have been a
44 ground for revoking his work permit if he had then held a work
45 permit.
46 If the board issues or does not object to the issuance of a work permit to an
47 applicant, ~~who has been convicted of a crime which is a felony, gross~~
48 ~~misdemeanor or misdemeanor,~~ it may specially limit the period for which
49 the permit is valid, limit the job classifications for which the holder of the



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1 permit may be employed and establish such individual conditions for the
2 issuance, renewal and effectiveness of the permit as the board deems
3 appropriate, including required submission to unscheduled tests for the
4 presence of alcohol or controlled substances.

5 ~~{12-}~~ 13. Any applicant aggrieved by the decision of the board may,
6 within 15 days after the announcement of the decision, apply in writing to
7 the commission for review of the decision. Review is limited to the record
8 of the proceedings before the board. The commission may sustain, modify
9 or reverse the board's decision. The decision of the commission is subject
10 to judicial review pursuant to NRS 463.315 to 463.318, inclusive.

11 ~~{13-}~~ 14. Except as otherwise provided in this subsection, all records
12 acquired or compiled by the board or commission relating to any
13 application made pursuant to this section and all lists of persons to whom
14 work permits have been issued or denied and all records of the names or
15 identity of persons engaged in the gaming industry in this state are
16 confidential and must not be disclosed except in the proper administration
17 of this chapter or to an authorized law enforcement agency. Upon receipt
18 of a request from the welfare division of the department of human
19 resources pursuant to NRS 425.400 for information relating to a specific
20 person who has applied for or holds a work permit, the board shall disclose
21 to the division his social security number, residential address and **current**
22 employer as that information is listed in the files and records of the board.
23 Any record of the board or commission which shows that the applicant has
24 been convicted of a crime in another state must show whether the crime
25 was a misdemeanor, gross misdemeanor, felony or other class of crime as
26 classified by the state in which the crime was committed. In a disclosure of
27 the conviction, reference to the classification of the crime must be based on
28 the classification in the state where it was committed.

29 ~~{14. A work permit expires unless renewed in accordance with~~
30 ~~subsection 7, or if the holder thereof is not employed as a gaming~~
31 ~~employee or does not serve as an independent agent within the jurisdiction~~
32 ~~of the issuing authority for more than 90 days.]~~

33 15. The chairman of the board may designate a member of the board or
34 the board may appoint a hearing examiner and authorize that person to
35 perform on behalf of the board any of the following functions required of
36 the board by this section concerning work permits:

- 37 (a) Conducting a hearing and taking testimony;
38 (b) Reviewing the testimony and evidence presented at the hearing;
39 (c) Making a recommendation to the board based upon the testimony
40 and evidence or rendering a decision on behalf of the board to sustain or
41 reverse the denial of a work permit or the objection to the issuance or
42 renewal of a work permit; and

43 (d) Notifying the applicant of the decision.

44 16. Notice by the board as provided pursuant to this section is
45 sufficient if it is mailed to the applicant's last known address as indicated
46 on the application for a work permit, or the record of the hearing, as the
47 case may be. The date of mailing may be proven by a certificate signed by
48 an officer or employee of the board which specifies the time the notice was
49 mailed. The notice shall be deemed to have been received by the applicant



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1 5 days after it is deposited with the United States Postal Service with the
2 postage thereon prepaid.

3 **Sec. 17.** NRS 463.3557 is hereby amended to read as follows:

4 463.3557 ~~1A-1~~

5 *1. Except as otherwise provided in subsection 2, an* electronic transfer
6 of money from a financial institution directly to a game or gaming device
7 may not be made with a credit card.

8 *2. The provisions of subsection 1 do not apply to an interactive*
9 *gaming system.*

10 **Sec. 18.** NRS 463.361 is hereby amended to read as follows:

11 463.361 1. Except as otherwise provided in *section 4 of this act and*
12 NRS 463.361 to 463.366, inclusive, gaming debts that are not evidenced by
13 a credit instrument are void and unenforceable and do not give rise to any
14 administrative or civil cause of action.

15 2. A claim by a patron of a licensee for payment of a gaming debt that
16 is not evidenced by a credit instrument may be resolved in accordance with
17 NRS 463.362 to 463.366, inclusive:

18 (a) By the board; or

19 (b) If the claim is for less than \$500, by a hearing examiner designated
20 by the board.

21 **Sec. 19.** NRS 463.370 is hereby amended to read as follows:

22 463.370 1. Except as otherwise provided in NRS 463.373, the
23 commission shall charge and collect from each licensee a license fee based
24 upon all the gross revenue of the licensee as follows:

25 (a) Three percent of all the gross revenue of the licensee which does not
26 exceed \$50,000 per calendar month;

27 (b) Four percent of all the gross revenue of the licensee which exceeds
28 \$50,000 per calendar month and does not exceed \$134,000 per calendar
29 month; and

30 (c) Six and one-quarter percent of all the gross revenue of the licensee
31 which exceeds \$134,000 per calendar month.

32 2. Unless the licensee has been operating for less than a full calendar
33 month, the commission shall charge and collect the fee prescribed in
34 subsection 1, based upon the gross revenue for the preceding calendar
35 month, on or before the 24th day of the following month. Except for the fee
36 based on the first full month of operation, the fee is an estimated payment
37 of the license fee for the third month following the month whose gross
38 revenue is used as its basis.

39 3. When a licensee has been operating for less than a full calendar
40 month, the commission shall charge and collect the fee prescribed in
41 subsection 1, based on the gross revenue received during that month, on or
42 before the 24th day of the following calendar month of operation. After the
43 first full calendar month of operation, the commission shall charge and
44 collect the fee based on the gross revenue received during that month, on or
45 before the 24th day of the following calendar month. The payment of the
46 fee due for the first full calendar month of operation must be accompanied
47 by the payment of a fee equal to three times the fee for the first full
48 calendar month. This additional amount is an estimated payment of the
49 license fees for the next 3 calendar months. Thereafter, each license fee



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1 must be paid in the manner described in subsection 2. Any deposit held by
2 the commission on July 1, 1969, must be treated as an advance estimated
3 payment.

4 4. All revenue received from any game or gaming device which is
5 operated on the premises of a licensee, regardless of whether any portion of
6 the revenue is shared with any other person, must be attributed to the
7 licensee for the purposes of this section and counted as part of the gross
8 revenue of the licensee. Any other person, including, without limitation, an
9 operator of an inter-casino linked system, who is authorized to receive a
10 share of the revenue from any game, gaming device or inter-casino linked
11 system that is operated on the premises of a licensee is liable to the licensee
12 for that person's proportionate share of the license fees paid by the licensee
13 pursuant to this section and shall remit or credit the full proportionate share
14 to the licensee on or before the 24th day of each calendar month. The
15 proportionate share of an operator of an inter-casino linked system must be
16 based on all compensation and other consideration received by the operator
17 of the inter-casino linked system, including, without limitation, amounts
18 that accrue to the meter of the primary progressive jackpot of the inter-
19 casino linked system and amounts that fund the reserves of such a jackpot,
20 subject to all appropriate adjustments for deductions, credits, offsets and
21 exclusions that the licensee is entitled to take or receive pursuant to the
22 provisions of this chapter. A licensee is not liable to any other person
23 authorized to receive a share of the licensee's revenue from any game,
24 gaming device or inter-casino linked system that is operated on the
25 premises of the licensee for that person's proportionate share of the license
26 fees to be remitted or credited to the licensee by that person pursuant to this
27 section.

28 5. An operator of an inter-casino linked system shall not enter into any
29 agreement or arrangement with a licensee that provides for the operator of
30 the inter-casino linked system to be liable to the licensee for less than its
31 full proportionate share of the license fees paid by the licensee pursuant to
32 this section, whether accomplished through a rebate, refund, charge-back
33 or otherwise.

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

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

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

44 7. If the amount of license fees required to be reported and paid
45 pursuant to this section is later determined to be greater or less than the
46 amount actually reported and paid, the commission shall:

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



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

3 Interest *pursuant to paragraph (a)* must be computed at the rate prescribed
4 in NRS 17.130 from the first day of the first month following ~~either~~ the
5 due date of the additional license fees ~~for the date of overpayment~~ until
6 paid. *Interest pursuant to paragraph (b) must be computed at one-half*
7 *the rate prescribed in NRS 17.130 from the first day of the first month*
8 *following the date of overpayment until paid.*

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

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

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

16 (a) Charge and collect the additional license fees determined to be due
17 with interest ~~+~~ *computed pursuant to paragraph (a) of subsection 7*; or

18 (b) Refund any overpayment ~~+~~ *with interest thereon* to the licensee
19 ~~+~~ *with interest computed pursuant to paragraph (b) of*
20 *subsection 7,*

21 based upon the gross revenue of the licensee during the last 3 months
22 immediately preceding the cessation of operation, or portions of those last
23 3 months.

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

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

30 **Sec. 20.** NRS 463.387 is hereby amended to read as follows:

31 463.387 1. State gaming license fees or taxes paid in excess of the
32 amount required to be reported and paid may be refunded, upon the
33 approval of the commission, as other claims against the state are paid.

34 2. Within 90 days after the mailing of the notice of the commission's
35 action upon a claim for refund filed pursuant to this chapter, the claimant
36 may bring an action against the commission on the grounds set forth in the
37 claim in any court of competent jurisdiction for the recovery of the whole
38 or any part of the amount with respect to which the claim has been
39 disallowed.

40 3. Failure to bring an action within the time specified in subsection 2
41 constitutes a waiver of any demand against the state on account of alleged
42 overpayments.

43 4. Within 20 days after the mailing of the notice of the commission's
44 action upon a claim for refund filed pursuant to this chapter, the claimant
45 may file a motion for rehearing with the commission. The commission
46 must take action on the motion for rehearing within 50 days after it has
47 been filed with the commission. If the motion for rehearing is granted, the
48 commission's earlier action upon the claim for refund is rescinded and the
49 90-day period specified in subsection 2 does not begin until the



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1 commission mails notice of its action upon the claim following the
2 rehearing.

3 5. If the commission fails to mail its notice of action on a claim within
4 6 months after the claim is filed or reheard, the claimant may consider the
5 claim disallowed and bring an action against the commission on the
6 grounds set forth in the claim for the recovery of the whole or any part of
7 the amount claimed as an overpayment.

8 6. In any case where a refund is granted, interest must be allowed at
9 *one-half* the rate prescribed in NRS 17.130 upon the amount found to have
10 been erroneously paid from the first day of the first month following the
11 date of overpayment until paid. The commission may in its discretion deny
12 or limit the payment of interest if it finds that the claimant has failed to file
13 a claim for a refund within 90 days after receiving written notification of
14 overpayment from the board or has impeded the board's ability to process
15 the claim in a timely manner.

16 7. Notwithstanding the provisions of NRS 353.115, any claim for
17 refund of state gaming license fees or taxes paid in excess of the amount
18 required to be reported and paid ~~it~~ must be filed with the commission
19 within 5 years after the date of overpayment and not thereafter.

20 8. The provisions of this chapter must not be construed to permit the
21 proration of state gaming taxes or license fees for purposes of a refund.

22 **Sec. 21.** NRS 463.400 is hereby amended to read as follows:

23 463.400 Any person who willfully fails to report, pay or truthfully
24 account for and pay over the license fees imposed by NRS 463.370,
25 463.373 to 463.3855, inclusive, *and sections 6 to 9, inclusive, of this act,*
26 463.390 and 463.450, or willfully attempts in any manner to evade or
27 defeat any such tax or payment thereof, or any licensee who puts additional
28 games into play without authority of the commission to do so or any
29 licensee who fails to remit any license fee provided for by this chapter
30 when due is in addition to the amount due liable for a penalty of the
31 amount of the license fee evaded or not paid, collected or paid over. The
32 penalty must be assessed and collected in the same manner as are other
33 charges, license fees and penalties under this chapter.

34 **Sec. 22.** NRS 463.403 is hereby amended to read as follows:

35 463.403 1. Every person required to pay the tax imposed by NRS
36 463.401 shall file with the commission, on or before the 24th day of each
37 month, a report showing the amount of all taxable receipts for the
38 preceding month.

39 2. Each report must be accompanied by the amount of tax which is due
40 for the month covered by the report.

41 3. If the amount of tax required to be reported and paid pursuant to
42 NRS 463.401 is later determined to be greater or less than the amount
43 actually reported and paid, the commission shall:

44 (a) Charge and collect the additional tax determined to be due, with
45 interest thereon until paid; or

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

48 Interest ~~it~~ *pursuant to paragraph (a) must be* computed at the rate
49 prescribed in NRS 17.130 from the first day of the first month following



1 ~~either~~ the due date of the additional tax ~~for the date of overpayment~~ until
2 paid. *Interest pursuant to paragraph (b) must be computed at one-half*
3 *the rate prescribed in NRS 17.130 from the first day of the first month*
4 *following the date of overpayment until paid.*

5 **Sec. 23.** NRS 463.450 is hereby amended to read as follows:

6 463.450 1. Any disseminator of such information obtaining a license
7 under NRS 463.430 to 463.480, inclusive, shall pay to the commission a
8 fee of 4.25 percent of the total fees collected from users each calendar
9 month for the dissemination of live broadcasts.

10 2. The commission shall collect the fee on or before the last day of
11 each calendar month for the preceding calendar month.

12 3. If the amount of the fee required by this section to be reported and
13 paid is determined to be different than the amount reported or paid by the
14 licensee, the commission shall:

15 (a) Charge and collect any additional fee determined to be due, with
16 interest thereon until paid; or

17 (b) Refund any overpaid fees to the person entitled thereto pursuant to
18 this chapter, with interest thereon.

19 Interest ~~is~~ *pursuant to paragraph (a) must be* computed at the rate
20 prescribed in NRS 17.130 from the first day of the first calendar month
21 following ~~either~~ the due date of the additional license fees ~~for the date of~~
22 ~~overpayment~~ until paid. *Interest pursuant to paragraph (b) must be*
23 *computed at one-half the rate prescribed in NRS 17.130 from the first*
24 *day of the first month following the date of overpayment until paid.*

25 4. The commission shall remit all fees collected, less any fees refunded
26 pursuant to subsection 3, to the state treasurer for deposit to the credit of
27 the state general fund.

28 **Sec. 24.** NRS 463.482 is hereby amended to read as follows:

29 463.482 As used in NRS 463.160 to 463.170, inclusive, *and section 3*
30 *of this act*, 463.368, 463.386 and 463.482 to 463.645, inclusive, unless the
31 context otherwise requires, the words and terms defined in NRS 463.4825
32 to 463.488, inclusive, have the meanings ascribed to them in those
33 sections.

34 **Sec. 25.** NRS 463.643 is hereby amended to read as follows:

35 463.643 1. Each person who acquires, directly or indirectly,
36 beneficial ownership of any voting security in a publicly traded corporation
37 which is registered with the commission may be required to be found
38 suitable if the commission has reason to believe that his acquisition of
39 ~~such~~ *that* ownership would otherwise be inconsistent with the declared
40 policy of this state.

41 2. Each person who acquires, directly or indirectly, beneficial
42 ownership of any debt security in a publicly traded corporation which is
43 registered with the commission may be required to be found suitable if the
44 commission has reason to believe that his acquisition of ~~such~~ *the* debt
45 security would otherwise be inconsistent with the declared policy of this
46 state.

47 3. Each person who, individually or in association with others,
48 acquires, directly or indirectly, beneficial ownership of more than 5 percent
49 of any class of voting securities of a publicly traded corporation registered



1 with the Nevada gaming commission, and who is required to report, or
2 voluntarily reports, ~~such~~ *the* acquisition to the Securities and Exchange
3 Commission pursuant to section 13(d)(1), 13(g) or 16(a) of the Securities
4 Exchange Act of 1934, as amended, ~~15~~ 15 U.S.C. §§ 78m(d)(1), 78m(g)
5 and 78p(a), respectively, ~~it~~ shall file a copy of that report, and any
6 amendments thereto, with the Nevada gaming commission within 10 days
7 after filing that report with the Securities and Exchange Commission.

8 4. Each person who, individually or in association with others,
9 acquires, directly or indirectly, the beneficial ownership of more than 10
10 percent of any class of voting securities of a publicly traded corporation
11 registered with the commission, ~~and~~ *or* who is required to report, or
12 voluntarily reports, ~~the~~ *such* acquisition pursuant to section 13(d)(1),
13 13(g) or 16(a) of the Securities Exchange Act of 1934, as amended, ~~15~~ 15
14 U.S.C. §§ 78m(d)(1), 78m(g) and 78p(a), respectively, ~~it~~ shall apply to
15 the commission for a finding of suitability within 30 days after the
16 chairman of the board mails the written notice.

17 5. A person who acquires beneficial ownership of any voting security
18 or debt security in a publicly traded corporation created under the laws of a
19 foreign country which is registered with the commission shall file such
20 reports and is subject to such a finding of suitability as the commission
21 may prescribe.

22 6. Any person required by the commission or by this section to be
23 found suitable shall:

24 (a) Except as otherwise required in subsection 4, apply for a finding of
25 suitability within 30 days after the commission requests that he do so; and

26 (b) Together with the application, deposit with the board a sum of
27 money which, in the opinion of the board, will be adequate to pay the
28 anticipated costs and charges incurred in the investigation and processing
29 of the application, and deposit such additional sums as are required by the
30 board to pay final costs and charges.

31 7. Any person required by the commission or this section to be found
32 suitable who is found unsuitable by the commission shall not hold directly
33 or indirectly the beneficial ownership of any voting security or debt
34 security of a publicly traded corporation which is registered with the
35 commission beyond the time prescribed by the commission.

36 8. The violation of subsection 6 or 7 is a gross misdemeanor.

37 9. As used in this section, "debt security" means any instrument
38 generally recognized as a corporate security representing money owed and
39 reflected as debt on the financial statement of a publicly traded corporation,
40 including, but not limited to, bonds, notes and debentures.

41 **Sec. 26.** NRS 463.650 is hereby amended to read as follows:

42 463.650 1. Except as otherwise provided in subsections 2 to 5,
43 inclusive, it is unlawful for any person, either as owner, lessee or
44 employee, whether for hire or not, to operate, carry on, conduct or maintain
45 any form of manufacture, selling or distribution of any gaming device, ~~or~~
46 cashless wagering system *or interactive gaming system* for use or play in
47 Nevada or for distribution outside of Nevada without first procuring and
48 maintaining all required federal, state, county and municipal licenses.



- 1 2. A lessor who specifically acquires equipment for a capital lease is
2 not required to be licensed under this section or NRS 463.660.
- 3 3. The holder of a state gaming license or the holding company of a
4 corporation, partnership, limited partnership, limited-liability company or
5 other business organization holding a license may, within 2 years after
6 cessation of business or upon specific approval by the board, dispose of by
7 sale in a manner approved by the board, any or all of its gaming devices,
8 including slot machines, and cashless wagering systems, without a
9 distributor's license. In cases of bankruptcy of a state gaming licensee or
10 foreclosure of a lien by a bank or other person holding a security interest
11 for which gaming devices are security in whole or in part for the lien, the
12 board may authorize the disposition of the gaming devices without
13 requiring a distributor's license.
- 14 4. The commission may, by regulation, authorize a person who owns
15 gaming devices for home use in accordance with NRS 463.160 to sell such
16 devices without procuring a license therefor.
- 17 5. Upon approval by the board, a gaming device owned by:
18 (a) A law enforcement agency;
19 (b) A court of law; or
20 (c) A gaming device repair school licensed by the commission on
21 postsecondary education,
22 may be disposed of by sale, in a manner approved by the board, without a
23 distributor's license. An application for approval must be submitted to the
24 board in the manner prescribed by the chairman.
- 25 6. Any person whom the commission determines is a suitable person to
26 receive a license under the provisions of this section and NRS 463.660 may
27 be issued a manufacturer's or distributor's license. The burden of proving
28 his qualification to receive or hold a license under this section and NRS
29 463.660 is at all times on the applicant or licensee.
- 30 7. Every person who must be licensed pursuant to this section is
31 subject to the provisions of NRS 463.482 to 463.645, inclusive, unless
32 exempted from those provisions by the commission.
- 33 8. The commission may exempt, for any purpose, a manufacturer,
34 seller or distributor from the provisions of NRS 463.482 to 463.645,
35 inclusive, if the commission determines that the exemption is consistent
36 with the purposes of this chapter.
- 37 9. As used in this section, "holding company" has the meaning
38 ascribed to it in NRS 463.485.
- 39 **Sec. 27.** NRS 463.670 is hereby amended to read as follows:
40 463.670 1. The legislature finds and declares as facts:
41 (a) That the inspection of gaming devices, associated equipment , ~~and~~
42 cashless wagering systems *and interactive gaming systems* is essential to
43 carry out the provisions of this chapter; and
44 (b) That inspection of gaming devices, associated equipment , ~~and~~
45 cashless wagering systems *and interactive gaming systems* is greatly
46 facilitated by the opportunity to inspect components before assembly and
47 to examine the methods of manufacture.
- 48 2. The board may inspect every gaming device which is manufactured,
49 sold or distributed:



- 1 (a) For use in this state, before the gaming device is put into play.
- 2 (b) In this state for use outside this state, before the gaming device is
- 3 shipped out of this state.

4 3. The board may inspect every gaming device which is offered for

5 play within this state by a licensee.

6 4. The board may inspect all associated equipment , ~~and~~ every

7 cashless wagering system *and every interactive gaming system* which is

8 manufactured, sold or distributed for use in this state before the equipment

9 or system is installed or used by a licensee and at any time while the

10 licensee is using the equipment or system.

11 5. In addition to all other fees and charges imposed by this chapter, the

12 board may determine, charge and collect an inspection fee from each

13 manufacturer, seller or distributor which must not exceed the actual cost of

14 inspection and investigation.

15 **Sec. 28.** NRS 463A.010 is hereby amended to read as follows:

16 463A.010 The legislature finds and declares that:

17 1. The relationship which exists between a labor organization and the

18 employees whom it represents *or seeks to represent* in collective

19 bargaining is such that it may significantly affect the conduct of a gaming

20 operation by an employer.

21 2. In the past, attempts have been made by persons whose background

22 is not suitable for association with licensed gaming to gain positions of

23 control in labor organizations representing *or seeking to represent* gaming

24 casino employees in this state.

25 3. In order to carry out the declared policy of this state that licensed

26 gaming be conducted freely and honestly, and in order to protect the

27 welfare of the employees of the gaming industry which is fundamental to

28 the economy of this state, it is necessary to determine the suitability of any

29 person who performs *or seeks to perform* certain significant functions in

30 the representation of gaming casino employees in this state.

31 **Sec. 29.** NRS 463A.020 is hereby amended to read as follows:

32 463A.020 As used in this chapter:

33 1. "Board" means the state gaming control board.

34 2. "Commission" means the Nevada gaming commission.

35 3. "Gaming casino employee" means any person employed directly or

36 indirectly in the operation of a gaming establishment under a nonrestricted

37 license, including:

38 (a) All personnel involved in the operation of a casino gaming pit, such

39 as dealers, shills, clerks, hosts, junket representatives and the supervisors of

40 such persons;

41 (b) All personnel involved in handling money, such as cashiers, change

42 persons, count teams, coin wrappers and the supervisors of such persons;

43 (c) All personnel involved in the operation of games, such as bingo and

44 keno;

45 (d) All personnel involved in operating and maintaining slot machines,

46 such as mechanics, floormen, change and payoff persons and the

47 supervisors of such persons;

48 (e) All personnel involved in security, such as guards, games observers

49 and the supervisors of such persons;



1 (f) All personnel involved in the operation of a race or sports book, such
2 as writers, boardmen, cashiers and the supervisors of such persons;

3 (g) All personnel involved in the operation of a pari-mutuel operation
4 licensed under chapter 464 of NRS and any sporting event on which such
5 pari-mutuel wagering is conducted; and

6 (h) Such other persons whose duties are similar to the classifications set
7 forth in paragraphs (a) to (g), inclusive, as the commission may from time
8 to time designate by regulation,

9 but does not include personnel whose duties are related solely to such
10 nongaming activities as entertainment, hotel operation, maintenance and
11 the preparation and serving of food and beverages.

12 4. "Labor organization" means an organization of any kind, or any
13 agency or employee representation committee or plan, which exists for the
14 purpose, in whole or in part, of dealing *or seeking to deal* with employers
15 of gaming casino employees concerning grievances, labor disputes, wages,
16 rates of pay, hours of employment or conditions of work of gaming casino
17 employees.

18 **Sec. 30.** NRS 463A.030 is hereby amended to read as follows:

19 463A.030 1. ~~Every~~ *Not later than the date on which a* labor
20 organization which represents *or seeks to represent* gaming casino
21 employees in this state *begins an organizational activity directed at a*
22 *gaming casino employee, the labor organization* shall file with the board a
23 list of its personnel who:

24 (a) Adjust *or seek to adjust* grievances for, negotiate or administer the
25 wages, hours, working conditions or conditions of employment of any
26 gaming casino employee;

27 (b) Solicit, collect or receive *or seek to solicit, collect or receive* any
28 dues, assessments, levies, fines, contributions or other charges within this
29 state for or on behalf of the organization from gaming casino employees; or

30 (c) Act as officers, members of the governing body, business agents or
31 in any other policymaking or supervisory position in the organization.

32 2. Each person listed shall file with the board his fingerprints and
33 complete information in writing concerning his labor organization
34 activities, prior performance of the same or similar functions, previous
35 employment or occupational history, and criminal record if any, covering
36 at least a 10-year period unless the board determines that a shorter period is
37 appropriate.

38 3. The commission shall by regulation prescribe the frequency or
39 circumstances or both with or under which the list ~~shall~~ *must* be revised.

40 4. The commission may by regulation prescribe:

41 (a) Any further information to be required concerning each person listed
42 or each person performing a particular function.

43 (b) The addition of other personnel to the list whose duties significantly
44 affect the conduct of a gaming operation.

45 5. In adopting regulations pursuant to this section, the commission
46 shall proceed in the manner prescribed in chapter 463 of NRS.

47 6. *For the purposes of this section, "organizational activity" means:*

48 (a) *Soliciting membership by direct personal contact;*

49 (b) *Distributing cards regarding interests or representation; or*



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1 **(c) Distributing or posting a flyer, poster or advertisement.**

2 **Sec. 31.** NRS 463A.050 is hereby amended to read as follows:

3 463A.050 1. To determine suitability under and compliance with the
4 provisions of this chapter, the board may investigate any person whose
5 name is listed by a labor organization or who it believes is performing **or**
6 **seeking to perform** a function which requires listing. For this purpose, the
7 board is vested with all of the powers which it possesses for the
8 investigation of an applicant for or holder of a state gaming license, and
9 may further make such examination as it reasonably deems necessary of
10 the financial records of any labor organization for whom such **a** person is
11 performing **or seeking to perform** such a function.

12 2. The cost of any investigation required by this section ~~shall~~ **must** be
13 paid by the board from ~~monies~~ **money** appropriated or authorized to be
14 used for this purpose.

15 3. Whenever the board undertakes an investigation pursuant to this
16 section, ~~the~~ **the board** shall employ or consult with some person who has a
17 professional background in the field of labor relations. The same services
18 may be retained to assist the commission upon any subsequent hearing of
19 the matter.

20 4. The board shall, if appropriate, recommend to the commission that a
21 person investigated be disqualified.

22 **Sec. 32.** NRS 463A.060 is hereby amended to read as follows:

23 463A.060 1. If the board recommends that a person be disqualified,
24 the commission shall serve upon the person and the labor organization for
25 which the person is performing his function ~~a notice, a~~ **or seeking to**
26 **perform that function:**

27 **(a) A notice;**

28 **(b) A statement of the reasons for the recommendation ; and** ~~three~~

29 **(c) Three** copies of a form entitled "Notice of Defense."

30 2. The notice of defense must read substantially as follows:

31 NOTICE OF DEFENSE
32
33

34 Instructions to Respondents: Two copies of this form should be
35 filed with the Nevada gaming commission, Carson City, Nevada,
36 within 15 days after service upon you of the enclosed complaint.
37 The form must be signed by you or on your behalf. You will note
38 that blanks are provided for any information you wish to supply.
39

	Yes	No
40		
41		
42 1. Do you request a hearing?	<input type="checkbox"/>	<input type="checkbox"/>
43 2. Do you admit the facts stated in the complaint?	<input type="checkbox"/>	<input type="checkbox"/>
44 If you admit some of the facts stated in		
45 the complaint, but deny others, please		
46 specify:		
47		
48		

(space for answer)



* A B 4 6 6 R 3 *

3. Are there any defenses or explanations which
you believe the commission should
consider? ☐ ☐
If so, please specify:

(space for answer)

4. Do you wish to state any legal objections to the
complaint? ☐ ☐
If so, please specify:

(space for answer)

Note: If you fail to file two copies of this form as specified,
the commission may proceed upon the complaint
without a hearing.

Sec. 33. NRS 465.070 is hereby amended to read as follows:
465.070 It is unlawful for any person:

1. To alter or misrepresent the outcome of a game or other event on
which wagers have been made after the outcome is made sure but before it
is revealed to the players.

2. To place, increase or decrease a bet or to determine the course of
play after acquiring knowledge, not available to all players, of the outcome
of the game or any event that affects the outcome of the game or which is
the subject of the bet or to aid anyone in acquiring such knowledge for the
purpose of placing, increasing or decreasing a bet or determining the
course of play contingent upon that event or outcome.

3. To claim, collect or take, or attempt to claim, collect or take, money
or anything of value in or from a gambling game, with intent to defraud,
without having made a wager contingent thereon, or to claim, collect or
take an amount greater than the amount won.

4. Knowingly to entice or induce another to go to any place where a
gambling game is being conducted or operated in violation of the
provisions of this chapter, with the intent that the other person play or
participate in that gambling game.

5. To place or increase a bet after acquiring knowledge of the outcome
of the game or other event which is the subject of the bet, including past-
posting and pressing bets.

6. To reduce the amount wagered or cancel the bet after acquiring
knowledge of the outcome of the game or other event which is the subject
of the bet, including pinching bets.

7. To manipulate, with the intent to cheat, any component of a gaming
device in a manner contrary to the designed and normal operational
purpose for the component, including, but not limited to, varying the pull
of the handle of a slot machine, with knowledge that the manipulation
affects the outcome of the game or with knowledge of any event that
affects the outcome of the game.



* A B 4 6 6 R 3 *

- 1 8. *To offer, promise or give anything of value to anyone for the*
2 *purpose of influencing the outcome of a race, sporting event, contest or*
3 *game upon which a wager may be made, or to place, increase or decrease*
4 *a wager after acquiring knowledge, not available to the general public,*
5 *that anyone has been offered, promised or given anything of value for*
6 *the purpose of influencing the outcome of the race, sporting event,*
7 *contest or game upon which the wager is placed, increased or decreased.*
8 9. *To change or alter the normal outcome of any game played on an*
9 *interactive gaming system or the way in which the outcome is reported to*
10 *any participant in the game.*
11 **Sec. 34.** 1. The Nevada gaming commission shall, on or before
12 January 1, 2003, adopt regulations to carry out the amendatory provisions
13 of section 16 of this act and transmit a copy of those regulations to each
14 county and city licensing authority that issues work permits to work as a
15 gaming employee.
16 2. The amendatory provisions of sections 13 and 16 of this act apply to
17 any work permit to work as a gaming employee that is issued by the state
18 gaming control board or a county or city licensing authority on or after
19 January 1, 2003.
20 3. On or after January 1, 2003, a county or city licensing authority is
21 prohibited from issuing a work permit to work as a gaming employee that
22 does not comply with the provisions of this act and the regulations adopted
23 by the Nevada gaming commission.
24 4. A work permit to work as a gaming employee that was issued before
25 January 1, 2003, is valid until it expires or is revoked in accordance with
26 the provisions of NRS 463.335 that remain in effect until January 1, 2003.
27 **Sec. 35.** The amendatory provisions of this act do not apply to
28 offenses committed before July 1, 2001.
29 **Sec. 36.** 1. This section and sections 28 to 32, inclusive, of this act
30 become effective upon passage and approval.
31 2. Sections 16 and 34 of this act become effective upon passage and
32 approval for purposes related to the adoption and dissemination of
33 regulations by the Nevada gaming commission and on January 1, 2003, for
34 all other purposes.
35 3. Sections 1 to 12, inclusive, 14, 15, 17 to 27, inclusive, 33 and 35 of
36 this act become effective on July 1, 2001.
37 4. Section 13 of this act becomes effective on January 1, 2003.

