

SENATE BILL NO. 105—SENATOR NEAL

FEBRUARY 12, 2001

Referred to Committee on Taxation

SUMMARY—Increases state license fee on gaming. (BDR 41-797)

FISCAL NOTE: Effect on Local Government: No.  
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; increasing the state license fee based upon the highest tier of the gross revenue of gaming licensees; 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:  
5     Three percent of all the gross revenue of the licensee which does not  
6     exceed \$50,000 per calendar month;  
7     Four percent of all the gross revenue of the licensee which exceeds  
8     \$50,000 per calendar month and does not exceed \$134,000 per calendar  
9     month; and  
10    ~~Six~~ ***Ten*** and one-quarter percent of all the gross revenue of the licensee  
11    which exceeds \$134,000 per calendar month.  
12    2. Unless the licensee has been operating for less than a full calendar  
13    month, the commission shall charge and collect the fee prescribed in  
14    subsection 1, based upon the gross revenue for the preceding calendar  
15    month, on or before the 24th day of the following month. Except for the fee  
16    based on the first full month of operation, the fee is an estimated payment  
17    of the license fee for the third month following the month whose gross  
18    revenue is used as its basis.  
19    3. When a licensee has been operating for less than a full calendar  
20    month, the commission shall charge and collect the fee prescribed in  
21    subsection 1, based on the gross revenue received during that month, on or  
22    before the 24th day of the following calendar month of operation. After the  
23    first full calendar month of operation, the commission shall charge and



1 collect the fee based on the gross revenue received during that month, on or  
2 before the 24th day of the following calendar month. The payment of the  
3 fee due for the first full calendar month of operation must be accompanied  
4 by the payment of a fee equal to three times the fee for the first full  
5 calendar month. This additional amount is an estimated payment of the  
6 license fees for the next 3 calendar months. Thereafter, each license fee  
7 must be paid in the manner described in subsection 2. Any deposit held by  
8 the commission on July 1, 1969, must be treated as an advance estimated  
9 payment.

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

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

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

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

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



1 7. If the amount of license fees required to be reported and paid  
2 pursuant to this section is later determined to be greater or less than the  
3 amount actually reported and paid, the commission shall:  
4 (a) Charge and collect the additional license fees determined to be due,  
5 with interest thereon until paid; or  
6 (b) Refund any overpayment to the person entitled thereto pursuant to  
7 this chapter, with interest thereon.  
8 Interest must be computed at the rate prescribed in NRS 17.130 from the  
9 first day of the first month following either the due date of the additional  
10 license fees or the date of overpayment until paid.  
11 8. Failure to pay the fees provided for in this section shall be deemed a  
12 surrender of the license at the expiration of the period for which the  
13 estimated payment of fees has been made, as established in subsection 2.  
14 9. Except as otherwise provided in NRS 463.386, the amount of the  
15 fee prescribed in subsection 1 must not be prorated.  
16 10. Except as otherwise provided in NRS 463.386, if a licensee ceases  
17 operation, the commission shall:  
18 (a) Charge and collect the additional license fees determined to be due  
19 with interest; or  
20 (b) Refund any overpayment, with interest thereon, to the licensee,  
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 ~~H~~ the amount of gross revenue is less than zero,  
25 the 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 ~~H~~ the amount of the license fee due is less than  
28 zero, the licensee is entitled to receive a credit against any license fees due  
29 in succeeding months until the credit has been fully offset.  
30 **Sec. 2.** This act becomes effective on July 1, 2001.

