

SENATE BILL NO. 283—COMMITTEE ON JUDICIARY

MARCH 7, 2001

Referred to Committee on Judiciary

SUMMARY—Revises various provisions governing gaming. (BDR 41-761)

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; providing for the licensing of an international gaming salon in a resort hotel that holds a nonrestricted license; revising provisions governing limited-liability companies that hold state gaming licenses; 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
- 2 the provisions set forth as sections 2 to 5, inclusive, of this act.
- 3 **Sec. 2.** *“International gaming salon” means an enclosed gaming*
- 4 *facility which is located anywhere on the property of a resort hotel that*
- 5 *holds a nonrestricted license, admission to which facility is based upon*
- 6 *the financial criteria of a patron as established by the licensee and*
- 7 *approved by the board.*
- 8 **Sec. 3.** *1. A licensee may apply to the board, on forms prescribed*
- 9 *by the board, for a license to operate an international gaming salon.*
- 10 *2. A nonrefundable application fee in the amount of \$5,000 must*
- 11 *accompany the application for a license to operate an international*
- 12 *gaming salon.*
- 13 *3. An applicant must pay the costs incurred by the board for*
- 14 *investigation of an application.*
- 15 **Sec. 4.** *1. The admission of a patron to an international gaming*
- 16 *salon:*
- 17 *(a) May be restricted on the basis of the financial criteria of the*
- 18 *patron as established by the licensee and approved by the board; and*
- 19 *(b) Must not be restricted on the basis of the race, color, religion,*
- 20 *national origin, ancestry, physical disability or sex of the patron.*
- 21 *2. Any unresolved dispute with a patron concerning restriction of*
- 22 *admission to an international gaming salon shall be deemed a dispute as*



1 *to the manner in which a game is conducted pursuant to NRS 463.362*
2 *and must be resolved pursuant to NRS 463.362 to 463.366, inclusive.*

3 **Sec. 5.** *The commission shall, with the advice and assistance of the*
4 *board, adopt regulations setting forth:*

5 1. *The policies and procedures for approval of a license to operate an*
6 *international gaming salon.*

7 2. *The standards of operation for an international gaming salon,*
8 *including, without limitation, policies and procedures governing:*

9 (a) *Surveillance and security systems.*

10 (b) *The games offered. The regulations must provide that the games*
11 *offered must include table games and may include slot machines.*

12 (c) *Minimum wagers for any game offered. The regulations must*
13 *provide that minimum wagers for slot machines must not be less than*
14 *\$500.*

15 **Sec. 6.** NRS 463.013 is hereby amended to read as follows:

16 463.013 As used in this chapter, unless the context otherwise requires,
17 the words and terms defined in NRS 463.0133 to 463.0197, inclusive, *and*
18 *section 2 of this act* have the meanings ascribed to them in those sections.

19 **Sec. 7.** NRS 463.160 is hereby amended to read as follows:

20 463.160 1. Except as otherwise provided in subsection 4 and NRS
21 463.172, 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:

23 (a) To deal, operate, carry on, conduct, maintain or expose for play in
24 the State of Nevada any gambling game, gaming device, inter-casino
25 linked system, slot machine, race book or sports pool;

26 (b) To provide or maintain any information service; ~~for~~

27 (c) *To operate an international gaming salon; or*

28 (d) To receive, directly or indirectly, any compensation or reward or
29 any percentage or share of the money or property played, for keeping,
30 running or carrying on any gambling game, slot machine, gaming device,
31 race book or sports pool,

32 without having first procured, and thereafter maintaining in effect, all
33 federal, state, county and municipal gaming licenses as required by statute,
34 regulation or ordinance or by the governing board of any unincorporated
35 town.

36 2. The licensure of an operator of an inter-casino linked system is not
37 required if:

38 (a) A gaming licensee is operating an inter-casino linked system on the
39 premises of an affiliated licensee; or

40 (b) An operator of a slot machine route is operating an inter-casino
41 linked system consisting of slot machines only.

42 3. Except as otherwise provided in subsection 4, it is unlawful for any
43 person knowingly to permit any gambling game, slot machine, gaming
44 device, inter-casino linked system, race book or sports pool to be
45 conducted, operated, dealt or carried on in any house or building or other
46 premises owned by him, in whole or in part, by a person who is not
47 licensed pursuant to this chapter, or his employee.



- 1 4. The commission may, by regulation, authorize a person to own or
2 lease gaming devices for the limited purpose of display or use in the
3 person's private residence without procuring a state gaming license.
- 4 5. As used in this section, "affiliated licensee" has the meaning
5 ascribed to it in NRS 463.430.
- 6 **Sec. 8.** NRS 463.5734 is hereby amended to read as follows:
7 463.5734 A limited-liability company which applies for a license shall
8 register as a limited-liability company with the board, and shall provide the
9 following information to the board:
- 10 1. The organization, financial structure and nature of the business to be
11 operated, including the names, personal history and fingerprints of each
12 **director**, manager, member and key employee.
- 13 2. The rights, privileges and relative priorities of the members as to the
14 return of contributions to capital and the right to receive distribution of
15 profits.
- 16 3. The terms on which interests in the limited-liability company are to
17 be offered.
- 18 4. The terms and conditions of all outstanding loans, mortgages, trust
19 deeds, pledges and any other indebtedness or security device.
- 20 5. The extent of the holding in the limited-liability company of all
21 underwriters, and their remuneration as compensation for services, in the
22 form of salary, wages, fees or otherwise.
- 23 6. Remuneration to persons other than **directors and** managers
24 exceeding \$30,000 per annum.
- 25 7. Bonus and profit-sharing arrangements.
- 26 8. Management and service contracts.
- 27 9. Options existing, or to be created.
- 28 10. Balance sheets for at least the 3 preceding fiscal years, or, if the
29 limited-liability company has not been in existence for 3 years, balance
30 sheets from the time of its formation. All balance sheets must be certified
31 by independent public accountants certified or registered in this state.
- 32 11. Profit and loss statements for at least the 3 preceding fiscal years,
33 or, if the limited-liability company has not been in existence for 3 years,
34 profit and loss statements from the time of its formation. All profit and loss
35 statements must be certified by independent public accountants certified or
36 registered in this state.
- 37 12. Any further financial data which the board may deem necessary or
38 appropriate for the protection of the State of Nevada or licensed gambling,
39 or both.
- 40 **Sec. 9.** NRS 463.5735 is hereby amended to read as follows:
41 463.5735 1. Every member, transferee of a member's interest in a
42 limited-liability company , **director** and manager of a limited-liability
43 company which holds **or applies for a state gaming** license must be
44 licensed individually, according to the provisions of this chapter.
- 45 2. If, in the judgment of the commission, the public interest will be
46 served by requiring any of the limited-liability company's lenders, holders
47 of evidence of indebtedness, underwriters, key executives, agents or
48 employees to be licensed:



1 (a) The limited-liability company shall require those persons to apply
2 for a license in accordance with the laws and requirements in effect at the
3 time the commission requires the licensing; and

4 (b) Those persons shall apply for a license within 30 days after being
5 requested to do so by the commission.

6 3. A publicly traded corporation which is a member of a limited-
7 liability company is not required to be licensed, but shall comply with NRS
8 463.635 to 463.645, inclusive.

9 4. No person may become a member ~~or~~ or a transferee of a member's
10 interest in a limited-liability company ~~for a manager of a limited liability~~
11 ~~company~~ which holds a license until he secures the required approval of
12 the commission.

13 *5. A director or manager of a limited-liability company shall apply*
14 *for a license within 30 days after assuming office.*

15 **Sec. 10.** NRS 463.5737 is hereby amended to read as follows:

16 463.5737 1. If an employee , *a director* or a manager of a limited-
17 liability company which holds a license is required to be licensed
18 individually, and he:

19 (a) Does not apply for a license within 30 days after the commission
20 requests him to do so, and the commission makes a finding of unsuitability
21 for that reason;

22 (b) Is denied a license; or

23 (c) Has his license revoked by the commission,

24 the limited-liability company for whom he is a manager *or director* or by
25 whom he is employed shall, upon receiving notice by registered or certified
26 mail from the commission, remove him as a *director or* manager or modify
27 his employment so that he no longer serves in a capacity for which he is
28 required to be licensed, and shall not allow him to exercise a significant
29 influence over the limited-liability company's operation of a gaming
30 establishment.

31 2. If the limited-liability company designates another employee ,
32 *director* or manager to replace the employee , *director* or manager whose
33 employment was modified or who was removed as a *director or* manager,
34 it shall promptly notify the commission and require the newly designated
35 employee , *director* or manager to apply for a license.

36 **Sec. 11.** The amendatory provisions of this act do not apply to
37 offenses committed before the effective date of this act.

38 **Sec. 12.** This act becomes effective upon passage and approval.

