

SENATE BILL NO. 357—SENATORS NOLAN, TOWNSEND,
RAGGIO AND WIENER

MARCH 25, 2005

Referred to Committee on Finance

SUMMARY—Creates Advisory Committee on Problem Gambling and authorizes grants of money for programs for prevention and treatment of problem gambling. (BDR 40-1157)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

~

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

AN ACT relating to gambling; creating the Advisory Committee on Problem Gambling; prescribing its powers and duties; creating the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling; requiring the Nevada Gaming Commission to deposit a portion of certain fees it collects in the Account; authorizing the Director of the Department of Human Resources to award grants of money or contracts for services to provide programs for the prevention and treatment of problem gambling; 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.** Title 40 of NRS is hereby amended by adding
2 thereto a new chapter to consist of the provisions set forth as
3 sections 2 to 12, inclusive, of this act.

4 **Sec. 2.** *As used in this chapter, unless the context otherwise*
5 *requires, the words and terms defined in sections 3 to 6, inclusive,*
6 *of this act have the meanings ascribed to them in those sections.*



1 **Sec. 3. "Account" means the Revolving Account to Support**
2 **Programs for the Prevention and Treatment of Problem Gambling**
3 **created by section 10 of this act.**

4 **Sec. 4. "Advisory Committee" means the Advisory**
5 **Committee on Problem Gambling created by section 7 of this act.**

6 **Sec. 5. "Department" means the Department of Human**
7 **Resources.**

8 **Sec. 6. "Director" means the Director of the Department.**

9 **Sec. 7. 1. The Advisory Committee on Problem Gambling,**
10 **consisting of nine members, is hereby created within the**
11 **Department.**

12 **2. The Governor shall appoint to the Advisory Committee:**

13 **(a) One member who holds a restricted gaming license;**

14 **(b) Two members who hold nonrestricted gaming licenses;**

15 **(c) Two members who work in the area of mental health, at**
16 **least one of whom has experience in the treatment of persons who**
17 **are problem gamblers;**

18 **(d) One member who represents the University and**
19 **Community College System of Nevada and has experience in the**
20 **prevention or treatment of problem gambling;**

21 **(e) One member who represents an organization for veterans;**
22 **and**

23 **(f) Two members who represent organizations that provide**
24 **assistance to persons who are problem gamblers.**

25 **3. After the initial terms, each member of the Advisory**
26 **Committee serves for a term of 2 years. Each member of the**
27 **Advisory Committee continues in office until his successor is**
28 **appointed.**

29 **4. The members of the Advisory Committee serve without**
30 **compensation, except that each member is entitled to receive the**
31 **per diem allowance and travel expenses provided for state officers**
32 **and employees generally while engaged in the business of the**
33 **Advisory Committee.**

34 **5. A majority of the members of the Advisory Committee**
35 **constitutes a quorum for the transaction of business, and a**
36 **majority of a quorum present at any meeting is sufficient for any**
37 **action taken by the Advisory Committee.**

38 **6. A member of the Advisory Committee who is an officer or**
39 **employee of the State or a political subdivision of the State must be**
40 **relieved from his duties without loss of his regular compensation**
41 **so that he may prepare for and attend meetings of the Advisory**
42 **Committee and perform any work necessary to carry out the duties**
43 **of the Advisory Committee in the most timely manner practicable.**
44 **A state agency or political subdivision of the State shall not**



1 *require an officer or employee who is a member of the Advisory*
2 *Committee to:*

3 *(a) Make up the time he is absent from work to carry out his*
4 *duties as a member of the Advisory Committee; or*

5 *(b) Take annual leave or compensatory time for the absence.*

6 *7. The Advisory Committee shall:*

7 *(a) At its first meeting and annually thereafter, elect a*
8 *Chairman from among its members;*

9 *(b) Meet at the call of the Director, the Chairman or a majority*
10 *of its members as necessary, within the budget of the Advisory*
11 *Committee, but not to exceed six meetings per year; and*

12 *(c) Adopt rules for its management and government.*

13 *Sec. 8. The Advisory Committee shall:*

14 *1. Review each request received by the Department from a*
15 *state agency or other political subdivision of the State or from an*
16 *organization or educational institution for a grant of money or a*
17 *contract for services to provide programs for the prevention and*
18 *treatment of problem gambling;*

19 *2. Recommend to the Director each request received pursuant*
20 *to subsection 1 that the Advisory Committee believes should be*
21 *awarded;*

22 *3. Establish criteria for determining which state agencies and*
23 *other political subdivisions of the State and organizations and*
24 *educational institutions to recommend for grants of money or*
25 *contracts for services pursuant to subsection 2;*

26 *4. Monitor each grant of money awarded by the Department*
27 *for the prevention and treatment of problem gambling; and*

28 *5. Assist the Department in determining the needs of local*
29 *communities and in establishing priorities for funding programs*
30 *for the prevention and treatment of problem gambling.*

31 *Sec. 9. The Chairman of the Advisory Committee may*
32 *appoint groups consisting of members of the Advisory Committee,*
33 *former members of the Advisory Committee and members of the*
34 *public who have appropriate experience or knowledge to:*

35 *1. Consider specific problems or other matters that are*
36 *related to and within the scope of activities of the Advisory*
37 *Committee; and*

38 *2. Review requests for grants of money or contracts for*
39 *services related to specific programs for the prevention and*
40 *treatment of problem gambling.*

41 *Sec. 10. 1. The Revolving Account to Support Programs for*
42 *the Prevention and Treatment of Problem Gambling is hereby*
43 *created in the State General Fund. The Director shall administer*
44 *the Account.*



2. Except as otherwise provided in this subsection, the money in the Account must be expended only to award grants of money or contracts for services to state agencies and other political subdivisions of the State or to organizations or educational institutions to provide programs for the prevention and treatment of problem gambling. The Director may use not more than 1 percent of the money in the Account to administer the Account.

3. The existence of the Account does not create a right in any state agency or other political subdivision of the State or in any organization or educational institution to receive money from the Account.

4. On or before January 31 of each year, the Director shall submit to the Director of the Legislative Counsel Bureau a written report concerning any grants of money or contracts for services awarded pursuant to this section during the previous year.

Sec. 11. 1. The Director may apply for and accept any gift, donation, bequest, grant or other source of money. Any money so received must be deposited in the Account.

2. The interest and income earned on money in the Account from any gift, donation or bequest, after deducting any applicable charges, must be credited to the Account.

3. Money from any gift, donation or bequest that remains in the Account at the end of the fiscal year does not revert to the State General Fund, and the balance in the Account must be carried forward to the next fiscal year.

Sec. 12. 1. The Director shall adopt regulations to carry out the provisions of sections 10 and 11 of this act.

2. The regulations adopted by the Director must include, without limitation:

(a) The procedure by which a state agency or other political subdivision of the State or an organization or educational institution may apply for a grant of money or a contract for services to be paid from the Account;

(b) The criteria that the Director must consider in determining whether to award a grant of money or a contract for services to be paid from the Account; and

(c) The procedure used by the Director to ensure that the money in the Account is distributed in a fair and equitable manner.

Sec. 13. NRS 232.320 is hereby amended to read as follows:

232.320 1. Except as otherwise provided in subsection 2, the Director:

(a) Shall appoint, with the consent of the Governor, administrators of the divisions of the Department, who are respectively designated as follows:



- (1) The Administrator of the Aging Services Division;
- (2) The Administrator of the Health Division;
- (3) The State Welfare Administrator;
- (4) The Administrator of the Division of Child and Family Services; and
- (5) The Administrator of the Division of Health Care Financing and Policy.

(b) Shall administer, through the divisions of the Department and the Office of Disability Services, the provisions of chapters 63, 423, 424, 425, 426A, 427A, 432A to 442, inclusive, 446 to 450, inclusive, of NRS, **sections 2 to 12, inclusive, of this act**, NRS 127.220 to 127.310, inclusive, 422.001 to 422.410, inclusive, 422.580, 426.205 to 426.295, inclusive, 432.010 to 432.139, inclusive, 444.003 to 444.430, inclusive, and 445A.010 to 445A.055, inclusive, and all other provisions of law relating to the functions of the divisions of the Department and the Office of Disability Services, but is not responsible for the clinical activities of the Health Division or the professional line activities of the other divisions or the Office of Disability Services.

(c) Shall, after considering advice from agencies of local governments and nonprofit organizations which provide social services, adopt a master plan for the provision of human services in this State. The Director shall revise the plan biennially and deliver a copy of the plan to the Governor and the Legislature at the beginning of each regular session. The plan must:

- (1) Identify and assess the plans and programs of the Department for the provision of human services, and any duplication of those services by federal, state and local agencies;

- (2) Set forth priorities for the provision of those services;

- (3) Provide for communication and the coordination of those services among nonprofit organizations, agencies of local government, the State and the Federal Government;

- (4) Identify the sources of funding for services provided by the Department and the allocation of that funding;

- (5) Set forth sufficient information to assist the Department in providing those services and in the planning and budgeting for the future provision of those services; and

- (6) Contain any other information necessary for the Department to communicate effectively with the Federal Government concerning demographic trends, formulas for the distribution of federal money and any need for the modification of programs administered by the Department.

(d) May, by regulation, require nonprofit organizations and state and local governmental agencies to provide information to him regarding the programs of those organizations and agencies,



1 excluding detailed information relating to their budgets and payrolls,
2 which he deems necessary for his performance of the duties
3 imposed upon him pursuant to this section.

4 (e) Has such other powers and duties as are provided by law.

5 2. The Governor shall appoint the Administrator of the
6 Division of Mental Health and Developmental Services.

7 **Sec. 14.** NRS 463.320 is hereby amended to read as follows:

8 463.320 1. All gaming license fees imposed by the provisions
9 of NRS 463.370, 463.373 to 463.383, inclusive, and 463.3855 must
10 be collected and disposed of as provided in this section.

11 2. All state gaming license fees and penalties must be collected
12 by the Commission and paid over immediately to the State
13 Treasurer to be disposed of as follows:

14 (a) Except as otherwise provided in paragraphs (c) ~~and (d)~~,
15 **(d) and (e)**, all state gaming license fees and penalties other than the
16 license fees imposed by the provisions of NRS 463.380 must be
17 deposited for credit to the State General Fund.

18 (b) All state gaming license fees imposed by the provisions of
19 NRS 463.380 must, after deduction of costs of administration and
20 collection, be divided equally among the various counties and
21 transmitted to the respective county treasurers. Such fees, except as
22 otherwise provided in this section, must be deposited by the county
23 treasurer in the county general fund and be expended for county
24 purposes. If the board of county commissioners desires to apportion
25 and allocate all or a portion of such fees to one or more cities or
26 towns within the county, the board of county commissioners shall,
27 annually, before the preparation of the city or town budget or
28 budgets as required by chapter 354 of NRS, adopt a resolution so
29 apportioning and allocating a percentage of such fees anticipated to
30 be received during the coming fiscal year to such city or cities or
31 town or towns for the next fiscal year commencing July 1. After the
32 adoption of the resolution, the percentage so apportioned and
33 allocated must be converted to a dollar figure and included in the
34 city or town budget or budgets as an estimated receipt for the next
35 fiscal year. Quarterly, upon receipt of the money from the State, the
36 county treasurer shall deposit an amount of money equal to the
37 percentage so apportioned and allocated to the credit of the city or
38 town fund to be used for city or town purposes, and the balance
39 remaining must be deposited in the county general fund and must be
40 expended for county purposes.

41 (c) One twenty-fifth of the license fee imposed by the provisions
42 of NRS 463.370 on gross revenue which exceeds \$134,000 per
43 calendar month that is paid pursuant to subsection 2 of NRS
44 464.045 by persons licensed to conduct off-track pari-mutuel
45 wagering must, after the deduction of costs of administration and



1 collection, be allocated pro rata among the counties in this State
2 whose population is less than 100,000 in which on-track pari-mutuel
3 wagering is conducted. The allocation must be based upon the
4 amounts paid from each such county pursuant to subsection 2 of
5 NRS 466.125 and transmitted to the respective county treasurers.
6 Money received by a county treasurer pursuant to this paragraph
7 must be deposited in the county general fund and expended to
8 augment any stakes, purses or rewards which are offered with
9 respect to horse races conducted in that county by a state fair
10 association, agricultural society or county fair and recreation board.

11 (d) Ten percent of the amount of the license fee imposed by the
12 provisions of NRS 463.370 that is paid pursuant to subsection 2 of
13 NRS 464.045 by persons licensed to conduct off-track pari-mutuel
14 wagering which exceeds \$5,036,938 per calendar year must, after
15 the deduction of costs of administration and collection, be allocated
16 pro rata among the counties in this State whose population is less
17 than 100,000 in which on-track pari-mutuel wagering is conducted.
18 The allocation must be based upon the amounts paid from each such
19 county pursuant to subsection 2 of NRS 466.125 and must be
20 transmitted to the respective county treasurers as provided in this
21 paragraph. On March 1 of each year, the Board shall calculate the
22 amount of money to be allocated to the respective county treasurers
23 and notify the State Treasurer of the appropriate amount of each
24 allocation. The State Treasurer shall transfer the money to the
25 respective county treasurers. Money received by a county treasurer
26 pursuant to this paragraph must be deposited in the county general
27 fund and expended to augment any stakes, purses or rewards which
28 are offered with respect to horse races conducted in that county by a
29 state fair association, agricultural society or county fair and
30 recreation board.

31 *(e) The Commission shall deposit quarterly in the Revolving*
32 *Account to Support Programs for the Prevention and Treatment of*
33 *Problem Gambling created by section 10 of this act:*

34 *(1) For the Fiscal Year 2005-2006, an amount equal to \$1*
35 *for each slot machine that is subject to the license fee imposed*
36 *pursuant to NRS 463.373 and 463.375 and collected by the*
37 *Commission; and*

38 *(2) For the Fiscal Year 2006-2007, an amount equal to \$2*
39 *for each slot machine that is subject to the license fee imposed*
40 *pursuant to NRS 463.373 and 463.375 and collected by the*
41 *Commission.*

42 **Sec. 15.** As soon as practicable after July 1, 2005, the
43 Governor shall appoint to the Advisory Committee on Problem
44 Gambling:

45 1. Five members to serve a term of 1 year; and



- 1 2. Four members to serve a term of 2 years.
- 2 **Sec. 16.** 1. This act becomes effective on July 1, 2005.
- 3 2. Section 14 of this act expires by limitation on June 30, 2007.

