

ASSEMBLY BILL NO. 535—COMMITTEE ON JUDICIARY
(ON BEHALF OF THE STATE GAMING CONTROL BOARD)

MARCH 26, 2007

Referred to Committee on Judiciary

SUMMARY—Revises various provisions pertaining to gaming.
(BDR 41-591)

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; revising the provisions governing which persons are required to register as gaming employees; providing that foreign limited-liability companies and foreign limited partnerships may obtain state gaming licenses; revising the provisions governing the acquisition or disposition of certain interests in certain corporations, limited-liability companies and limited partnerships; prohibiting certain acts involving counterfeit wagering instruments and counterfeit promotional items; making various other changes pertaining to gaming; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the State Gaming Control Board is required to maintain and make available to every licensee a list of persons who have been denied a license, been found unsuitable or had a license or finding of suitability revoked by the Nevada Gaming Commission. (NRS 463.165, 463.167, 463.645) **Sections 1, 5, 6 and 22** of this bill reorganize the provisions pertaining to that list and provide that a person whose name is on the list may apply to have his name removed from the list no earlier than 5 years after his license was denied, he was found unsuitable or his license or finding of suitability was revoked.

Independent agents who reside in Nevada are currently required to register as independent agents pursuant to the regulations adopted by the Nevada Gaming Commission and are additionally required to register as gaming employees pursuant to statute, whereas independent agents who reside outside Nevada are required only to register as independent agents. (NRS 463.335; Regulation 25 of



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the Nevada Gaming Commission) **Sections 2-4, 7 and 8** of this bill remove the requirement that independent agents who reside in Nevada must register as gaming employees. **Section 2** also provides that persons involved in the process of registration of gaming employees and persons directly involved in the manufacture, repair or distribution of gaming devices and other systems and equipment must be registered as gaming employees.

Section 9 of this bill revises the existing provisions pertaining to disputes involving patrons and licensees to make those provisions apply to the award or distribution of cash, prizes, benefits, tickets or any other item or items in a game, tournament, contest, drawing, promotion or similar activity or event. (NRS 463.362)

Sections 10-12, 15 and 18 of this bill revise existing law to allow foreign limited-liability companies and limited partnerships to obtain state gaming licenses. (NRS 463.564, 463.5731)

Sections 13, 14, 16, 17, 19 and 20 of this bill require holding companies and intermediary companies for certain corporations, limited-liability companies and limited partnerships to seek administrative approval for the acquisition or disposition of certain interests in such entities. Existing law is also amended to provide that such acquisitions or dispositions are void if not approved as required, rather than ineffective. (NRS 463.5665, 463.567, 463.57325, 463.5733)

Existing law provides that each person who acquires, directly or indirectly, beneficial ownership of any voting security in a publicly traded corporation which is registered with the Commission may be required to be found suitable if the Commission has reason to believe that his acquisition of that ownership would otherwise be inconsistent with the declared policy of this State. (NRS 463.643) **Section 21** of this bill provides that a person may also be required to be found suitable if the person acquires beneficial or record ownership of any non-voting security in such a corporation.

Section 22 of this bill makes the provisions concerning unsuitable and unlicensed persons associated with certain business entities consistent with other statutory provisions by expressly stating that such persons may not receive remuneration, enter into a contract or be employed by any licensee or affiliate of a licensee. (NRS 463.165, 463.166, 463.645)

Sections 23 and 25 of this bill provide that persons in Nevada may place parimutuel wagers on horse racing in other states and foreign countries where such wagering is legal.

Section 24 of this bill amends the existing prohibition against the use of counterfeit wagering instruments to make unlawful the possession, sale or manufacture of such counterfeit wagering instruments. (NRS 465.080) **Section 24** also prohibits the possession, use, sale or manufacture of counterfeit promotional items.

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 a new section to read as follows:

1. The Board shall maintain and make available to every licensee a complete and current list containing the names of every person who has been denied a license, been found unsuitable or had a license or finding of suitability revoked by the Commission.



1 2. *Any person whose name has been placed on the list*
2 *maintained by the Board pursuant to subsection 1 may apply, on a*
3 *form prescribed by the Board, for removal of his name from the*
4 *list no earlier than 5 years after the date on which the person was*
5 *denied a license, found unsuitable or had a license or finding of*
6 *suitability revoked by the Commission.*

7 **Sec. 2.** NRS 463.0157 is hereby amended to read as follows:

8 463.0157 1. "Gaming employee" means any person
9 connected directly with an operator of a slot route, the operator of a
10 pari-mutuel system, the operator of an inter-casino linked system or
11 a manufacturer, distributor or disseminator, or with the operation of
12 a gaming establishment licensed to conduct any game, 16 or more
13 slot machines, a race book, sports pool or pari-mutuel wagering,
14 including:

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

18 (b) Boxmen;

19 (c) Cashiers;

20 (d) Change personnel;

21 (e) Counting room personnel;

22 (f) Dealers;

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

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

27 (i) Employees ~~[of manufacturers or distributors of gaming~~
28 ~~equipment within this State]~~ whose duties are directly involved with
29 the manufacture, repair or distribution of gaming devices, cashless
30 wagering systems, mobile gaming systems, equipment associated
31 with mobile gaming systems, interactive gaming systems or
32 equipment associated with interactive gaming;

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

35 (k) Employees of operators of inter-casino linked systems,
36 mobile gaming systems or interactive gaming systems whose duties
37 include the operational or supervisory control of the systems or the
38 games that are part of the systems;

39 (l) *Employees whose responsibilities include performing the*
40 *duties relating to the process of registration of gaming employees*
41 *that a licensee is required to perform pursuant to the provisions of*
42 *this chapter and any regulations adopted pursuant thereto;*

43 (m) Floormen;

44 ~~[(m)]~~ (n) Hosts or other persons empowered to extend credit or
45 complimentary services;



1 ~~[(a)]~~ (o) Keno runners;
2 ~~[(b)]~~ (p) Keno writers;
3 ~~[(c)]~~ (q) Machine mechanics;
4 ~~[(d)]~~ (r) Odds makers and line setters;
5 ~~[(e)]~~ (s) Security personnel;
6 ~~[(f)]~~ (t) Shift or pit bosses;
7 ~~[(g)]~~ (u) Shills;
8 ~~[(h)]~~ (v) Supervisors or managers;
9 ~~[(i)]~~ (w) Ticket writers; and
10 ~~[(j)]~~ (x) Employees of a person required by NRS 463.160 to be
11 licensed to operate an information service.

12 2. "Gaming employee" does not include bartenders, cocktail
13 waitresses or other persons engaged exclusively in preparing or
14 serving food or beverages.

15 **Sec. 3.** NRS 463.01858 is hereby amended to read as follows:
16 463.01858 "Registered as a gaming employee" means
17 authorized to be employed as a gaming employee in this State . ~~for~~
18 ~~to serve as an independent agent.~~

19 **Sec. 4.** NRS 463.01955 is hereby amended to read as follows:
20 463.01955 "Temporarily registered as a gaming employee"
21 means authorized to be employed as a gaming employee in this
22 State ~~for serve as an independent agent~~ from the date of submitting
23 a complete application for registration or renewal of registration for
24 a period not to exceed 120 days following receipt of the complete
25 application by the Board, including classifiable fingerprints, unless
26 otherwise suspended.

27 **Sec. 5.** NRS 463.165 is hereby amended to read as follows:
28 463.165 1. Except for persons associated with licensed
29 corporations, limited partnerships or limited-liability companies and
30 required to be licensed pursuant to NRS 463.530, 463.569 or
31 463.5735, each employee, agent, guardian, personal representative,
32 lender or holder of indebtedness of a gaming licensee who, in the
33 opinion of the Commission, has the power to exercise a significant
34 influence over the licensee's operation of a gaming establishment
35 may be required to apply for a license.

36 2. A person required to be licensed pursuant to subsection 1
37 shall apply for a license within 30 days after the Commission
38 requests that he do so.

39 3. If an employee required to be licensed under subsection 1:
40 (a) Does not apply for a license within 30 days after being
41 requested to do so by the Commission, and the Commission makes a
42 finding of unsuitability for that reason;
43 (b) Is denied a license; or
44 (c) Has his license revoked by the Commission,



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1 ↳ the licensee by whom he is employed shall terminate his
2 employment in any capacity in which he is required to be licensed
3 and shall not permit him to exercise a significant influence over the
4 operation of the gaming establishment upon being notified by
5 registered or certified mail of that action.

6 4. A gaming licensee or an affiliate of the licensee shall not pay
7 to a person whose employment has been terminated pursuant to
8 subsection 3 any remuneration for any service performed in any
9 capacity in which he is required to be licensed, except for amounts
10 due for services rendered before the date of receipt of notice of the
11 action by the Commission. Any contract or agreement for personal
12 services or for the conduct of any activity at the licensed gaming
13 establishment between a gaming licensee or an affiliate of the
14 licensee and a person terminated pursuant to subsection 3 is subject
15 to termination. Every such agreement shall be deemed to include a
16 provision for its termination without liability on the part of the
17 licensee or affiliate upon a finding by the Commission that the
18 person is unsuitable to be associated with a gaming enterprise.
19 Failure expressly to include that condition in the agreement is not a
20 defense in any action brought pursuant to this section to terminate
21 the agreement.

22 5. A gaming licensee or an affiliate of the licensee shall not,
23 without the prior approval of the Commission, enter into any
24 contract or agreement with a person who is found unsuitable or who
25 is denied a license or whose license is revoked by the Commission,
26 ~~and whose name has been placed on the list maintained pursuant to~~
27 ~~subsection 8,]~~ or with any business enterprise that the licensee
28 knows or under the circumstances reasonably should know is under
29 the control of that person after the date of receipt of notice of the
30 action by the Commission. Every contract or agreement for personal
31 services to a gaming licensee or an affiliate or for the conduct of any
32 activity at a licensed gaming establishment shall be deemed to
33 include a provision for its termination without liability on the part of
34 the licensee or affiliate upon a finding by the Commission that the
35 person is unsuitable to be associated with a gaming enterprise.
36 Failure expressly to include such a condition in the agreement is not
37 a defense in any action brought pursuant to this section to terminate
38 the agreement.

39 6. A gaming licensee or an affiliate of the licensee shall not,
40 without the prior approval of the Commission, employ any person in
41 a capacity for which ~~he~~ *the person* is required to be licensed, if
42 ~~he~~ *the person* has been found unsuitable or denied a license, or
43 ~~whose~~ *if his* license has been revoked by the Commission, ~~and~~
44 ~~whose name has been placed on the list maintained pursuant to~~
45 ~~subsection 8,]~~ after the date of receipt of notice of the action by the



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Commission. Every contract or agreement for employment with a gaming licensee or an affiliate shall be deemed to include a provision for its termination without liability on the part of the licensee or affiliate upon a finding by the Commission that the person is unsuitable to be associated with a gaming enterprise. Failure to expressly include such a condition in the agreement is not a defense in any action brought pursuant to this section to terminate the agreement.

7. As used in this section, "affiliate" means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with a licensee.

~~[8. The Board shall maintain and make available to every licensee a complete and current list containing the names of every person the Commission has denied a license, who has been found unsuitable or who has had a license or finding of suitability revoked. The list must also contain the names of any business organization under the control of any such person known to the Board.]~~

Sec. 6. NRS 463.167 is hereby amended to read as follows:

463.167 1. The Commission may determine the suitability, or may require the licensing, of any person who furnishes services or property to a state gaming licensee under any arrangement pursuant to which the person receives payments based on earnings, profits or receipts from gaming. The Commission may require any such person to comply with the requirements of this chapter and with the regulations of the Commission. If the Commission determines that any such person is unsuitable, it may require the arrangement to be terminated.

2. If the premises of a licensed gaming establishment are directly or indirectly owned or under the control of the licensee therein, or of any person controlling, controlled by, or under common control with the licensee, the Commission may, upon recommendation of the Board, require the application of any person for a determination of suitability to be associated with a gaming enterprise if the person:

(a) Does business on the premises of the licensed gaming establishment;

(b) Is an independent agent or does business with a licensed gaming establishment as a ticket purveyor, a tour operator, the operator of a bus program, or as the operator of any other type of casino travel program or promotion; or

(c) Provides any goods or services to the licensed gaming establishment for a compensation which the Board finds to be grossly disproportionate to the value of the goods or services.

3. If the Commission determines that the person is unsuitable to be associated with a gaming enterprise, the association must be



1 terminated. Any agreement which entitles a business other than
2 gaming to be conducted on the premises, or entitles a person other
3 than gaming to conduct business with the licensed gaming
4 establishment as set forth in paragraph (b) or (c) of subsection 2, is
5 subject to termination upon a finding of unsuitability of the person
6 associated therewith. Every such agreement must be deemed to
7 include a provision for its termination without liability on the part of
8 the licensee upon a finding by the Commission that the person
9 associated therewith is unsuitable to be associated with a gaming
10 enterprise. Failure expressly to include that condition in the
11 agreement is not a defense in any action brought pursuant to this
12 section to terminate the agreement. If the application is not
13 presented to the board within 30 days following demand or the
14 unsuitable association is not terminated, the Commission may
15 pursue any remedy or combination of remedies provided in this
16 chapter.

17 ~~[4. The name of any person determined to be unsuitable~~
18 ~~pursuant to this section must be included on the list required~~
19 ~~pursuant to subsection 8 of NRS 463.165.]~~

20 **Sec. 7.** NRS 463.335 is hereby amended to read as follows:

21 463.335 1. The Legislature finds that, to protect and promote
22 the health, safety, morals, good order and general welfare of the
23 inhabitants of the State of Nevada and to carry out the policy
24 declared in NRS 463.0129, it is necessary that the Board:

25 (a) Ascertain and keep itself informed of the identity, prior
26 activities and present location of all gaming employees ~~[and~~
27 ~~independent agents]~~ in the State of Nevada; and

28 (b) Maintain confidential records of such information.

29 2. ~~[Except as otherwise provided in subsection 4, a]~~ A person
30 may not be employed as a gaming employee ~~[or serve as an~~
31 ~~independent agent]~~ unless he is temporarily registered or registered
32 as a gaming employee pursuant to this section. An applicant for
33 registration or renewal of registration as a gaming employee must
34 file an application for registration or renewal of registration with the
35 Board. Whenever a registered gaming employee, whose registration
36 has not expired, has not been objected to by the Board, or has not
37 been suspended or revoked becomes employed as a gaming
38 employee at another or additional gaming establishment, he must
39 file a change of employment notice within 10 days with the Board.
40 The application for registration and change of employment notice
41 must be filed through the licensee for whom the applicant will
42 commence or continue working as a gaming employee, unless
43 otherwise filed with the Board as prescribed by regulation of the
44 Commission.



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3. The Board shall prescribe the forms for the application for registration as a gaming employee and the change of employment notice.

~~4. [An independent agent is not required to be registered as a gaming employee if he is not a resident of this State and has registered with the Board in accordance with the provisions of the regulations adopted by the Commission.]~~

~~—5.]~~ A complete application for registration or renewal of registration as a gaming employee or a change of employment notice received by a licensee must be mailed or delivered to the Board within 5 business days ~~to~~ after receipt unless the date is administratively extended by the Chairman of the Board for good cause. A licensee is not responsible for the accuracy or completeness of any application for registration or renewal of registration as a gaming employee or any change of employment notice.

~~[6.]~~ 5. The Board shall immediately conduct an investigation of each person who files an application for registration or renewal of registration as a gaming employee to determine whether he is eligible for registration as a gaming employee. In conducting the investigation, two complete sets of the applicant's fingerprints must be submitted to the Central Repository for Nevada Records of Criminal History for:

(a) A report concerning the criminal history of the applicant; and

(b) Submission to the Federal Bureau of Investigation for a report concerning the criminal history of the applicant.

➔ The investigation need not be limited solely to consideration of the results of the report concerning the criminal history of the applicant. The fee for processing an application for registration or renewal of registration as a gaming employee may be charged only to cover the actual investigative and administrative costs related to processing the application and the fees charged by the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation to process the fingerprints of an applicant pursuant to this subsection.

~~[7.]~~ 6. Upon receipt of a change of employment notice, the Board may conduct any investigations of the gaming employee that the Board deems appropriate to determine whether the gaming employee may remain registered as a gaming employee. The filing of a change of employment notice constitutes an application for registration as a gaming employee, and if the Board, after conducting its investigation, suspends or objects to the continued registration of the gaming employee, the provisions of subsections ~~[11 to 17,]~~ 10 to 16, inclusive, apply to such suspension by or objection of the Board. No fee may be charged by the Board to



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1 cover the actual investigative and administrative costs related to
2 processing a change of employment notice.

3 ~~[8.]~~ 7. Except as otherwise prescribed by regulation of the
4 Commission, an applicant for registration or renewal of registration
5 as a gaming employee is deemed temporarily registered as a gaming
6 employee as of the date a complete application for registration or
7 renewal of registration is submitted to the licensee for which he will
8 commence or continue working as a gaming employee. Unless
9 objected to by the Board or suspended or revoked, the initial
10 registration of an applicant as a gaming employee expires 5 years
11 after the date employment commences with the applicable licensee .
12 ~~[or, in the case of an independent agent, 5 years after the date he~~
13 ~~contracts with an applicable licensee.]~~ Any subsequent renewal of
14 registration as a gaming employee, unless objected to by the Board
15 or suspended or revoked, expires 5 years after the expiration date of
16 the most recent registration or renewal of registration of the gaming
17 employee.

18 ~~[9.]~~ 8. If, within 120 days after receipt by the Board of a
19 complete application for registration or renewal of registration as a
20 gaming employee, including classifiable fingerprints, or a change of
21 employment notice, the Board has not notified the applicable
22 licensee of any suspension or objection, the applicant shall be
23 deemed to be registered as a gaming employee. A complete
24 application for registration or renewal of registration as a gaming
25 employee is composed of:

26 (a) The fully completed form for application for registration as a
27 gaming employee prescribed in subsection 3;

28 (b) Two complete sets of the fingerprints of the applicant, unless
29 directly forwarded electronically or by another means to the Central
30 Repository for Nevada Records of Criminal History;

31 (c) The fee for processing the application for registration or
32 renewal of registration as a gaming employee prescribed by the
33 Board pursuant to subsection ~~[6.]~~ 5, unless otherwise prescribed by
34 regulation of the Commission; and

35 (d) A completed statement as prescribed in subsections 1 and 2
36 of NRS 463.3351.

37 ➤ If the Board determines after receiving an application for
38 registration or renewal of registration as a gaming employee that the
39 application is incomplete, the Board may suspend the temporary
40 registration as a gaming employee of the applicant who filed the
41 incomplete application. An applicant whose temporary registration
42 is suspended shall not be eligible to work as a gaming employee
43 until such time as he files a complete application.

44 ~~[10.]~~ 9. A person who is temporarily registered or registered as
45 a gaming employee is eligible for employment in any licensed



1 gaming establishment in this State until such registration is objected
2 to by the Board, expires or is suspended or revoked. The
3 Commission shall adopt regulations to:

4 (a) Establish uniform procedures for the registration of gaming
5 employees;

6 (b) Establish uniform criteria for objection by the Board of an
7 application for registration; and

8 (c) Provide for the creation and maintenance of a system of
9 records that contain information regarding the current place of
10 employment of each person who is registered as a gaming employee
11 and each person whose registration as a gaming employee has
12 expired, was objected to by the Board, or was suspended or revoked.
13 The system of records must be accessible by:

14 (1) Licensees for the limited purpose of complying with
15 subsection 2; and

16 (2) The Central Repository for Nevada Records of Criminal
17 History for the limited purpose of complying with NRS 179D.570.

18 ~~11.1~~ 10. If the Board, within the 120-day period prescribed in
19 subsection ~~9.1~~ 8, notifies:

20 (a) The applicable licensee; and

21 (b) The applicant,

22 ➔ that the Board suspends or objects to the temporary registration
23 of an applicant as a gaming employee, the licensee shall
24 immediately terminate the applicant from employment or reassign
25 him to a position that does not require registration as a gaming
26 employee. The notice of suspension or objection by the Board which
27 is sent to the applicant must include a statement of the facts upon
28 which the Board relied in making its suspension or objection.

29 ~~12.1~~ 11. Any person whose application for registration or
30 renewal of registration as a gaming employee has been suspended or
31 objected to by the Board may, not later than 60 days after receiving
32 notice of the suspension or objection, apply to the Board for a
33 hearing. A failure of a person whose application has been objected
34 to or suspended to apply for a hearing within 60 days or his failure
35 to appear at a hearing of the Board conducted pursuant to this
36 section shall be deemed to be an admission that the suspension or
37 objection is well-founded, and the failure precludes administrative
38 or judicial review. At the hearing, the Board shall take any
39 testimony deemed necessary. After the hearing, the Board shall
40 review the testimony taken and any other evidence, and shall, within
41 45 days after the date of the hearing, mail to the applicant its
42 decision sustaining or reversing the suspension or the objection to
43 the registration of the applicant as a gaming employee.

44 ~~13.1~~ 12. The Board may suspend or object to the registration
45 of an applicant as a gaming employee for any cause deemed



1 reasonable by the Board. The Board may object to or suspend the
2 registration if the applicant has:

3 (a) Failed to disclose or misstated information or otherwise
4 attempted to mislead the Board with respect to any material fact
5 contained in the application for registration as a gaming employee;

6 (b) Knowingly failed to comply with the provisions of this
7 chapter or chapter 463B, 464 or 465 of NRS or the regulations of
8 the Commission at a place of previous employment;

9 (c) Committed, attempted or conspired to commit any crime of
10 moral turpitude, embezzlement or larceny or any violation of any
11 law pertaining to gaming, or any crime which is inimical to the
12 declared policy of this State concerning gaming;

13 (d) Committed, attempted or conspired to commit a crime which
14 is a felony or gross misdemeanor in this State or an offense in
15 another state or jurisdiction which would be a felony or gross
16 misdemeanor if committed in this State and which relates to the
17 applicant's suitability or qualifications to work as a gaming
18 employee;

19 (e) Been identified in the published reports of any federal or
20 state legislative or executive body as being a member or associate of
21 organized crime, or as being of notorious and unsavory reputation;

22 (f) Been placed and remains in the constructive custody of any
23 federal, state or municipal law enforcement authority; or

24 (g) Had registration as a gaming employee revoked or
25 committed any act which is a ground for the revocation of
26 registration as a gaming employee or would have been a ground for
27 revoking registration as a gaming employee if the applicant had then
28 been registered as a gaming employee.

29 ➤ If the Board registers or does not suspend or object to the
30 registration of an applicant as a gaming employee, it may specially
31 limit the period for which the registration is valid, limit the job
32 classifications for which the registered gaming employee may be
33 employed and establish such individual conditions for the renewal
34 and effectiveness of the registration as the Board deems appropriate,
35 including required submission to unscheduled tests for the presence
36 of alcohol or controlled substances. *If a gaming employee fails to*
37 *comply with any limitation or condition placed on the effectiveness*
38 *of his registration as a gaming employee, notwithstanding any*
39 *other provision of this section, the Board may object to his*
40 *registration. If the Board objects to his registration, the provisions*
41 *regarding the continued effectiveness of the registration and the*
42 *review of the objection set forth in subsections 10 to 16, inclusive,*
43 *apply, including, without limitation, the requirement to notify the*
44 *applicable licensee about the objection.*



~~14.3~~ 13. Any applicant aggrieved by the decision of the Board may, within 15 days after the announcement of the decision, apply in writing to the Commission for review of the decision. Review is limited to the record of the proceedings before the Board. The Commission may sustain, modify or reverse the Board's decision. The decision of the Commission is subject to judicial review pursuant to NRS 463.315 to 463.318, inclusive.

~~14.5~~ 14. The Chairman of the Board may designate a member of the Board or the Board may appoint a hearing examiner and authorize that person to perform on behalf of the Board any of the following functions required of the Board by this section concerning the registration or renewal of registration of gaming employees:

(a) Conducting a hearing and taking testimony;

(b) Reviewing the testimony and evidence presented at the hearing;

(c) Making a recommendation to the Board based upon the testimony and evidence or rendering a decision on behalf of the Board to sustain or reverse the suspension of or the objection to the registration of an applicant as a gaming employee; and

(d) Notifying the applicant of the decision.

~~14.6~~ 15. Notice by the Board as provided pursuant to subsections 1 to ~~14.5~~ 14, inclusive, is sufficient if it is mailed to the applicant's last known address as indicated on the application for registration as a gaming employee or the record of the hearing, as the case may be. The date of mailing may be proven by a certificate signed by an officer or employee of the Board which specifies the time the notice was mailed. The notice shall be deemed to have been received by the applicant 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

~~14.7~~ 16. Except as otherwise provided in this subsection, all records acquired or compiled by the Board or Commission relating to any application made pursuant to this section, all lists of persons registered as gaming employees, all lists of persons suspended or objected to by the Board and all records of the names or identity of persons engaged in the gaming industry in this State are confidential and must not be disclosed except in the proper administration of this chapter or to an authorized law enforcement agency. Upon receipt of a request from the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.400 for information relating to a specific person who has applied for registration as a gaming employee or is registered as a gaming employee, the Board shall disclose to the Division his social security number, residential address and current employer as that information is listed in the files and records of the Board. Any record of the Board or Commission which shows that the applicant



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1 has been convicted of a crime in another state must show whether
2 the crime was a misdemeanor, gross misdemeanor, felony or other
3 class of crime as classified by the state in which the crime was
4 committed. In a disclosure of the conviction, reference to the
5 classification of the crime must be based on the classification in the
6 state where it was committed.

7 ~~[18.]~~ 17. If the Central Repository for Nevada Records of
8 Criminal History, in accordance with the provisions of NRS
9 179D.570, provides the Board with the name and other identifying
10 information of a registered gaming employee who is not in
11 compliance with the provisions of chapter 179D of NRS, the Board
12 shall notify the person that, unless he provides the Board with
13 verifiable documentation confirming that he is currently in
14 compliance with the provisions of chapter 179D of NRS within 15
15 days after receipt of such notice, the Board shall, notwithstanding
16 any other provisions of this section, conduct a hearing for the
17 purpose of determining whether the registration of the person as a
18 gaming employee must be suspended for noncompliance with the
19 provisions of chapter 179D of NRS.

20 ~~[19.]~~ 18. Notwithstanding any other provisions of this section,
21 if a person notified by the Board pursuant to subsection ~~[18.]~~ 17 does
22 not provide the Board, within the 15 days prescribed therein, with
23 verifiable documentation establishing that he is currently in
24 compliance with the provisions of chapter 179D of NRS, the
25 Chairman of the Board shall, within 10 days thereof, appoint a
26 hearing examiner to conduct a hearing to determine whether the
27 person is, in fact, not in compliance with the provisions of chapter
28 179D of NRS. The hearing examiner shall, within 5 days after the
29 date he is appointed by the Chairman, notify the person of the date
30 of the hearing. The hearing must be held within 20 days after the
31 date on which the hearing examiner is appointed by the Chairman,
32 unless administratively extended by the Chairman for good cause.
33 At the hearing, the hearing examiner may take any testimony
34 deemed necessary and shall render a decision sustaining or reversing
35 the findings of the Central Repository for Nevada Records of
36 Criminal History. The hearing examiner shall notify the person of
37 his decision within 5 days after the date on which the decision is
38 rendered. A failure of a person to appear at a hearing conducted
39 pursuant to this section shall be deemed to be an admission that the
40 findings of the hearing examiner are well-founded.

41 ~~[20.]~~ 19. If, after conducting the hearing prescribed in
42 subsection ~~[19.]~~ 18, the hearing examiner renders a decision that the
43 person who is the subject of the hearing:



(a) Is not in compliance with the provisions of chapter 179D of NRS, the Board shall, notwithstanding any other provisions of this section:

(1) Suspend the registration of the person as a gaming employee;

(2) Notify the person to contact the Central Repository for Nevada Records of Criminal History to determine the actions that he must take to be in compliance with the provisions of chapter 179D of NRS; and

(3) Notify the licensee for which the person is employed as a gaming employee, in the manner prescribed in subsection ~~[21,]~~ 20, that the Board has suspended the registration of the person as a gaming employee and that the licensee must immediately terminate the person from employment or reassign him to a position that does not require registration as a gaming employee.

(b) Is in compliance with the provisions of chapter 179D of NRS, the Board shall notify the person and the Central Repository for Nevada Records of Criminal History, in the manner prescribed in subsection ~~[21,]~~ 20, of the findings of the hearing examiner.

~~[21,]~~ 20. Notice as provided pursuant to subsections ~~[18, 19 and 20]~~ 17, 18 and 19 is sufficient if it is mailed to the person's last known address as indicated on the most recent application for registration as a gaming employee or the record of the hearing, or to the person at his place of gaming employment. The date of mailing may be proven by a certificate signed by an officer or employee of the Board which specifies the time the notice was mailed. The notice shall be deemed to have been received by the applicant 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

~~[22,]~~ 21. The Board shall remove a suspension entered in accordance with subsection ~~[20]~~ 19 and reinstate the registration of a person as a gaming employee upon receipt of verifiable documentation confirming that the person is currently in compliance with the provisions of chapter 179D of NRS.

Sec. 8. NRS 463.337 is hereby amended to read as follows:

463.337 1. If any gaming employee ~~[or independent agent,]~~ who is registered as a gaming employee with the Board ~~[.]~~ is convicted of any violation of this chapter or chapter 463B, 464 or 465 of NRS, or if in investigating an alleged violation of this chapter by any licensee the Commission finds that a registered gaming employee employed by ~~[or a registered independent agent contracting with]~~ the licensee has been guilty of cheating, the Commission shall, after a hearing as provided in NRS 463.310 and 463.312 to 463.3145, inclusive, revoke the registration.



2. The Commission may revoke the registration of a gaming employee ~~for independent agent~~ if the Commission finds, after a hearing as provided in NRS 463.310 and 463.312 to 463.3145, inclusive, that the gaming employee ~~for independent agent~~ has failed to disclose, misstated or otherwise misled the Board in respect to any fact contained within any application for registration as a gaming employee or, subsequent to being registered as a gaming employee:

(a) Committed, attempted or conspired to do any of the acts prohibited by this chapter or chapter 463B, 464 or 465 of NRS;

(b) Knowingly possessed or permitted to remain in or upon any licensed premises any cards, dice, mechanical device or any other cheating device whatever, the use of which is prohibited by statute or ordinance;

(c) Concealed or refused to disclose any material fact in any investigation by the Board;

(d) Committed, attempted or conspired to commit larceny or embezzlement against a gaming licensee or upon the premises of a licensed gaming establishment;

(e) Been convicted in any jurisdiction other than Nevada of any offense involving or relating to gambling;

(f) Accepted employment without prior Commission approval in a position for which he could be required to be licensed under this chapter after having been denied a license for a reason involving personal unsuitability or after failing to apply for licensing when requested to do so by the Commission;

(g) Been refused the issuance of any license, permit or approval to engage in or be involved with gaming or pari-mutuel wagering in any jurisdiction other than Nevada, or had any such license, permit or approval revoked or suspended;

(h) Been prohibited under color of governmental authority from being present upon the premises of any gaming establishment or any establishment where pari-mutuel wagering is conducted for any reason relating to improper gambling activities or any illegal act;

(i) Contumaciously defied any legislative investigative committee or other officially constituted bodies acting on behalf of the United States or any state, county or municipality which seeks to investigate crimes relating to gaming, corruption of public officials, or any organized criminal activities; or

(j) Been convicted of any felony or gross misdemeanor, other than one constituting a violation of this chapter or chapter 463B, 464 or 465 of NRS.

3. A gaming employee ~~for independent agent~~ whose registration as a gaming employee has been revoked pursuant to this



1 section is entitled to judicial review of the Commission's action in
2 the manner prescribed by NRS 463.315 to 463.318, inclusive.

3 4. Nothing in this section limits or prohibits the enforcement of
4 NRS 463.165, 463.560, 463.595, 463.637 or 463.645.

5 **Sec. 9.** NRS 463.362 is hereby amended to read as follows:

6 463.362 1. Whenever a ~~[licensee and a]~~ patron *and a*
7 *licensee, or any person acting on behalf of or in conjunction with*
8 *a licensee,* have any dispute ~~[as to alleged]~~ *which cannot be*
9 *resolved to the satisfaction of the patron and which involves:*

10 (a) *Alleged* winnings, alleged losses or the *award or*
11 *distribution of cash, prizes, benefits, tickets or any other item*
12 *or items in a game, tournament, contest, drawing, promotion or*
13 *similar activity or event; or*

14 (b) *The* manner in which a game, *tournament, contest,*
15 *drawing, promotion or similar activity or event* is conducted,

16 ~~↳ the licensee [and the patron are unable to resolve the dispute to~~
17 ~~the satisfaction of the patron and the dispute involves:] is~~
18 *responsible for notifying the Board or patron in accordance with*
19 *the provisions of subsection 2, regardless of whether the licensee*
20 *is directly or indirectly involved in the dispute.*

21 2. *Whenever a dispute described in subsection 1 involves:*

22 (a) At least \$500, the licensee shall immediately notify the
23 Board; or

24 (b) Less than \$500, the licensee shall ~~[inform]~~ *notify* the patron
25 of his right to request that the Board conduct an investigation.

26 ~~[→ The]~~

27 3. *Upon being notified of a dispute, the* Board, through an
28 agent, shall conduct whatever investigation it deems necessary and
29 shall determine whether payment should be made.

30 ~~[2.]~~ The agent of the Board shall mail written notice to the
31 Board, the licensee and the patron of his decision resolving the
32 dispute within 30 days after the date the Board first receives
33 notification from the licensee or a request to conduct an
34 investigation from the patron. The failure of the agent to mail notice
35 of his decision within the time required by this subsection does not
36 divest the Board of its exclusive jurisdiction over the dispute.

37 ~~[3.]~~ 4. Failure of the licensee to notify the Board or ~~[inform~~
38 ~~the]~~ patron as provided in subsection ~~[H]~~ 2 is grounds for
39 disciplinary action pursuant to NRS 463.310 to 463.3145, inclusive.

40 ~~[4.]~~ 5. The decision of the agent of the Board is effective on the
41 date the aggrieved party receives notice of the decision. Notice of
42 the decision shall be deemed sufficient if it is mailed to the last
43 known address of the licensee and patron. The date of mailing may
44 be proven by a certificate signed by an officer or employee of the
45 Board which specifies the time the notice was mailed. The notice



1 shall be deemed to have been received by the licensee or the patron
2 5 days after it is deposited with the United States Postal Service
3 with the postage thereon prepaid.

4 **Sec. 10.** NRS 463.4862 is hereby amended to read as follows:

5 463.4862 "Limited-liability company" means a limited-liability
6 company organized and existing pursuant to the provisions of
7 chapter 86 of NRS ~~§~~ *or formed under the laws of any jurisdiction*
8 *other than this State.*

9 **Sec. 11.** NRS 463.4864 is hereby amended to read as follows:

10 463.4864 "Limited partnership" means a partnership formed by
11 two or more persons pursuant to the terms of chapter 88 of NRS ~~§~~
12 *or the laws of any state other than this State*, having as members
13 one or more general partners and one or more limited partners.

14 **Sec. 12.** NRS 463.4865 is hereby amended to read as follows:

15 463.4865 "Limited partnership interest" means the right of a
16 general or limited partner to receive from a limited partnership:

- 17 1. A share of the profits;
- 18 2. Any other compensation by way of income; or
- 19 3. A return of any or all of his contribution to capital of the
20 limited partnership,

21 ➤ or the right to exercise any of the rights or powers provided in
22 chapter 88 of NRS ~~§~~ *or the laws of any state other than this State*,
23 whether directly or indirectly.

24 **Sec. 13.** NRS 463.505 is hereby amended to read as follows:

25 463.505 1. The purported granting of an option to purchase
26 any security issued by a corporation, other than a publicly traded
27 corporation, which holds a state gaming license ~~§~~ *or which is a*
28 *holding company or an intermediary company for an entity that*
29 *holds a state gaming license* or the purported sale, assignment,
30 transfer, pledge or other disposition of an existing option to acquire
31 such a security is void unless administratively approved in advance
32 by the Chairman of the Board.

33 2. A request for administrative approval pursuant to subsection
34 1 must:

35 (a) Be made on forms approved by the Chairman of the Board;
36 and

37 (b) To the extent consistent with this section, be considered in
38 all respects as an application.

39 3. The Chairman of the Board may refer a request for
40 administrative approval to the Board and Commission for
41 consideration or deny the request for administrative approval for any
42 reasonable cause. A denial may be submitted for review by the
43 Board and Commission in the manner set forth by the regulations of
44 the Commission pertaining to the review of administrative approval
45 decisions.



4. The Commission, upon recommendation by the Board, may require a person to apply for a finding of suitability to hold an option to purchase such a security.

Sec. 14. NRS 463.510 is hereby amended to read as follows:

463.510 1. The purported sale, assignment, transfer, pledge, exercise of an option to purchase or other disposition of any security issued by a corporation, other than a publicly traded corporation, which holds a state gaming license *or which is a holding company or an intermediary company for an entity that holds a state gaming license* is void unless approved in advance by the Commission.

2. If at any time the Commission finds that an individual owner of any such security is unsuitable to continue as a gaming licensee in this state, the owner shall immediately offer the security to the issuing corporation for purchase. The corporation shall purchase the security so offered, for cash at fair market value, within 10 days after the date of the offer.

3. Beginning upon the date when the Commission serves notice of a determination of unsuitability pursuant to subsection 2 upon the corporation, it is unlawful for the unsuitable owner:

(a) To receive any dividend or interest upon any such security;

(b) To exercise, directly or through any trustee or nominee, any voting right conferred by such security; or

(c) To receive any remuneration in any form from the corporation, for services rendered or otherwise.

4. Every security issued by a corporation, other than a publicly traded corporation, which holds a state gaming license must bear a statement, on both sides of the certificate evidencing the security, of the restrictions imposed by this section.

Sec. 15. NRS 463.564 is hereby amended to read as follows:

463.564 In order to be eligible to receive a state gaming license, a limited partnership shall:

1. ~~{Be formed under the laws of this State;~~

~~—2.}~~ Maintain an office of the limited partnership on the licensed premises;

~~{3.}~~ 2. Comply with all of the requirements of the laws of this State pertaining to limited partnerships; and

~~{4.}~~ 3. Maintain a ledger in the principal office of the limited partnership in this State, which must:

(a) At all times reflect the ownership of all interests in the limited partnership; and

(b) Be available for inspection by the Board, Commission and their authorized agents, at all reasonable times without notice.



Sec. 16. NRS 463.5665 is hereby amended to read as follows:

463.5665 1. The purported granting of an option to purchase any interest in a limited partnership which holds a state gaming license *or which is a holding company or an intermediary company for an entity that holds a state gaming license* or the purported sale, assignment, transfer, pledge or other disposition of an existing option to acquire such an interest is ~~ineffective~~ void unless administratively approved in advance by the Chairman of the Board.

2. A request for administrative approval pursuant to subsection 1 must:

(a) Be made on forms approved by the Chairman of the Board; and

(b) To the extent consistent with this section, be considered in all respects as an application.

3. The Chairman of the Board may refer a request for administrative approval to the Board and Commission for consideration or deny the request for administrative approval for any reasonable cause. A denial may be submitted for review by the Board and Commission in the manner set forth by the regulations of the Commission pertaining to the review of administrative approval decisions.

4. The Commission, upon recommendation by the Board, may require a person to apply for a finding of suitability to hold an option to purchase such an interest.

Sec. 17. NRS 463.567 is hereby amended to read as follows:

463.567 1. The purported sale, assignment, transfer, pledge, exercise of an option to purchase, or other disposition of any interest in a limited partnership which holds a state gaming license *or which is a holding company or an intermediary company for an entity that holds a state gaming license* is ~~ineffective~~ void unless approved in advance by the Commission.

2. If at any time the Commission finds that an individual owner of any such interest is unsuitable to hold that interest, the Commission shall immediately notify the limited partnership of that fact. The limited partnership shall, within 10 days ~~from~~ *after* the date that it receives the notice from the Commission, return to the unsuitable owner, in cash, the amount of his capital account as reflected on the books of the partnership.

3. Beginning on the date when the Commission serves notice of a determination of unsuitability pursuant to subsection 2 upon the limited partnership, it is unlawful for the unsuitable owner:

(a) To receive any share of the profits or interest upon any limited partnership interest;



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(b) To exercise, directly or through any trustee or nominee, any voting right conferred by such interest; or

(c) To receive any remuneration in any form from the limited partnership, for services rendered or otherwise.

4. The certificate of limited partnership of any limited partnership holding a state gaming license must contain a statement of the restrictions imposed by this section.

Sec. 18. NRS 463.5731 is hereby amended to read as follows:

463.5731 In order to be eligible to receive a license, a limited-liability company must:

1. ~~{Be formed under the laws of this State;~~

~~—2.}~~ Maintain an office of the limited-liability company on the licensed premises;

~~{3.}~~ 2. Comply with all of the requirements of the laws of this State pertaining to limited-liability companies; and

~~{4.}~~ 3. Maintain a ledger in the principal office of the limited-liability company in this State, which must:

(a) At all times reflect the ownership of all interests in the limited-liability company; and

(b) Be available for inspection by the Board, Commission and their authorized agents, at all reasonable times without notice.

Sec. 19. NRS 463.57325 is hereby amended to read as follows:

463.57325 1. The purported granting of an option to purchase any interest in a limited-liability company which holds a state gaming license *or which is a holding company or an intermediary company for an entity that holds a state gaming license* or the purported sale, assignment, transfer, pledge or other disposition of an existing option to acquire such an interest is ~~{ineffective}~~ void unless administratively approved in advance by the Chairman of the Board.

2. A request for administrative approval pursuant to subsection 1 must:

(a) Be made on forms approved by the Chairman of the Board; and

(b) To the extent consistent with this section, be considered in all respects as an application.

3. The Chairman of the Board may refer a request for administrative approval to the Board and Commission for consideration or deny the request for administrative approval for any reasonable cause. A denial may be submitted for review by the Board and Commission in the manner set forth by the regulations of the Commission pertaining to the review of administrative approval decisions.



4. The Commission, upon recommendation by the Board, may require a person to apply for a finding of suitability to hold an option to purchase such an interest.

Sec. 20. NRS 463.5733 is hereby amended to read as follows:

463.5733 1. The purported sale, assignment, transfer, pledge, exercise of an option to purchase , or other disposition of any interest in a limited-liability company which holds a state gaming license *or which is a holding company or an intermediary company for an entity that holds a state gaming license* is ~~ineffective~~ void unless approved in advance by the Commission.

2. If at any time the Commission finds that a member is unsuitable to hold an interest in a limited-liability company, the Commission shall immediately notify the limited-liability company of that fact. The limited-liability company shall, within 10 days after it receives the notice from the Commission, return to the member, in cash, the amount of his capital account as reflected on the books of the company.

3. Except as otherwise provided in subsection 2, beginning on the date when the Commission serves notice of a determination of unsuitability pursuant to subsection 2 upon the limited-liability company, it is unlawful for the unsuitable member:

(a) To receive any share of the distribution of profits of the limited-liability company or any payments upon dissolution of the company;

(b) To exercise any voting right conferred by the member's interest in the limited-liability company;

(c) To participate in the management of the limited-liability company; or

(d) To receive any remuneration in any form from the limited-liability company, for services rendered or otherwise.

4. The articles of organization of any limited-liability company holding a state gaming license must contain a statement of the restrictions imposed by this section.

Sec. 21. NRS 463.643 is hereby amended to read as follows:

463.643 1. Each person who acquires, directly or indirectly ~~beneficial~~:

(a) *Beneficial* ownership of any voting security ; or

(b) *Beneficial or record ownership of any nonvoting security,*

↪ in a publicly traded corporation which is registered with the Commission may be required to be found suitable if the Commission has reason to believe that his acquisition of that ownership would otherwise be inconsistent with the declared policy of this state.

2. Each person who acquires, directly or indirectly, *beneficial or record* ownership of any debt security in a publicly traded



1 corporation which is registered with the Commission may be
2 required to be found suitable if the Commission has reason to
3 believe that his acquisition of the debt security would otherwise be
4 inconsistent with the declared policy of this state.

5 3. Each person who, individually or in association with others,
6 acquires, directly or indirectly, beneficial ownership of more than 5
7 percent of any class of voting securities of a publicly traded
8 corporation registered with the Nevada Gaming Commission, and
9 who is required to report, or voluntarily reports, the acquisition to
10 the Securities and Exchange Commission pursuant to section
11 13(d)(1), 13(g) or 16(a) of the Securities Exchange Act of 1934, as
12 amended, 15 U.S.C. §§ 78m(d)(1), 78m(g) and 78p(a), respectively,
13 shall file a copy of that report, and any amendments thereto, with
14 the Nevada Gaming Commission within 10 days after filing that
15 report with the Securities and Exchange Commission.

16 4. Each person who, individually or in association with others,
17 acquires, directly or indirectly, the beneficial ownership of more
18 than 10 percent of any class of voting securities of a publicly traded
19 corporation registered with the Commission, or who is required to
20 report, or voluntarily reports, such acquisition pursuant to section
21 13(d)(1), 13(g) or 16(a) of the Securities Exchange Act of 1934, as
22 amended, 15 U.S.C. §§ 78m(d)(1), 78m(g) and 78p(a), respectively,
23 shall apply to the Commission for a finding of suitability within 30
24 days after the Chairman of the Board mails the written notice.

25 5. A person who acquires ~~beneficial~~, *directly or indirectly*:

26 (a) *Beneficial* ownership of any voting security ; or

27 (b) *Beneficial or record ownership of any nonvoting security*
28 *or* debt security ,

29 ➡ in a publicly traded corporation created under the laws of a
30 foreign country which is registered with the Commission shall file
31 such reports and is subject to such a finding of suitability as the
32 Commission may prescribe.

33 6. Any person required by the Commission or by this section to
34 be found suitable shall:

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

38 (b) Together with the application, deposit with the Board a sum
39 of money which, in the opinion of the Board, will be adequate to
40 pay the anticipated costs and charges incurred in the investigation
41 and processing of the application, and deposit such additional sums
42 as are required by the Board to pay final costs and charges.

43 7. Any person required by the Commission or this section to be
44 found suitable who is found unsuitable by the Commission shall not
45 hold directly or indirectly the ~~beneficial~~ :



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- 1 (a) *Beneficial* ownership of any voting security ; or
2 (b) *Beneficial or record ownership of any nonvoting security*
3 *or debt security ,*

4 ↳ of a publicly traded corporation which is registered with the
5 Commission beyond the time prescribed by the Commission.

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

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

12 **Sec. 22.** NRS 463.645 is hereby amended to read as follows:

13 463.645 ~~[(1)]~~ If any person who is required by or pursuant to
14 this chapter to be licensed or found suitable because of his
15 connection with a corporation, partnership, limited partnership,
16 limited-liability company or other business organization holding a
17 license, or a holding company or intermediary company, including a
18 publicly traded corporation, fails to apply for a license or a finding
19 of suitability after being requested to do so by the Commission or is
20 denied a license or a finding of suitability, or if his license or finding
21 of suitability is revoked, ~~[and his name has been placed on the list~~
22 ~~maintained pursuant to subsection 8 of NRS 463.165.]~~ the
23 corporation, partnership, limited partnership, limited-liability
24 company, business organization, holding company, intermediary
25 company or any person who directly or indirectly controls, is
26 controlled by or is under common control with the corporation,
27 partnership, limited partnership, limited-liability company, business
28 organization, holding company or intermediary company shall not,
29 *and any licensee or an affiliate of the licensee shall not,* after
30 receipt of written notice from the Commission:

31 ~~[(a)]~~ 1. Pay him any remuneration for any service relating to
32 the activities of a licensee, except for amounts due for services
33 rendered before the date of receipt of notice of such action by the
34 Commission. Any contract or agreement for personal services or the
35 conduct of any activity at a licensed gaming establishment between
36 a former employee whose employment was terminated because of
37 failure to apply for a license or a finding of suitability, denial of a
38 license or finding of suitability, or revocation of a license or a
39 finding of suitability, or any business enterprise under the control of
40 that employee and the licensee, holding or intermediary company or
41 registered publicly traded corporation is subject to termination.
42 Every such agreement shall be deemed to include a provision for its
43 termination without liability on the part of the licensee upon a
44 finding by the Commission that the business or any person
45 associated therewith is unsuitable to be associated with a gaming



1 enterprise. Failure expressly to include such a condition in the
2 agreement is not a defense in any action brought pursuant to this
3 section to terminate the agreement.

4 ~~[(b)]~~ 2. Enter into any contract or agreement with him or with
5 a business organization that the licensee knows or under the
6 circumstances reasonably should know is under his control which
7 involves the operations of a licensee, without the prior approval of
8 the Commission.

9 ~~[(c)]~~ 3. Employ him in any position involving the activities of
10 a licensee without prior approval of the Commission.

11 ~~[2. The name of any person who has been denied a license,
12 been found unsuitable or had a license or finding of suitability
13 revoked pursuant to subsection 1 must be included on the list
14 required pursuant to subsection 8 of NRS 463.165.]~~

15 **Sec. 23.** NRS 464.020 is hereby amended to read as follows:

16 464.020 1. The Nevada Gaming Commission is charged with
17 the administration of this chapter for the protection of the public and
18 in the public interest.

19 2. The Nevada Gaming Commission may issue licenses
20 permitting the conduct of the pari-mutuel system of wagering,
21 including off-track pari-mutuel wagering, and may adopt, amend
22 and repeal regulations relating to the conduct of such wagering.

23 3. The wagering must be conducted only by the licensee at the
24 times determined by the Nevada Gaming Commission and only:

25 (a) Within the enclosure wherein the race or other sporting event
26 which is the subject of the wagering occurs; or

27 (b) Within a licensed gaming establishment which has been
28 approved to conduct off-track pari-mutuel wagering.

29 ➤ This subsection does not prohibit a person licensed to accept,
30 pursuant to regulations adopted by the Nevada Gaming
31 Commission, off-track pari-mutuel wagers from accepting wagers
32 made by wire communication from patrons within the State of
33 Nevada, from other states in which such wagering is legal or from
34 places outside the United States in which such wagering is legal.
35 *This subsection does not prohibit a patron within the State of*
36 *Nevada from placing off-track pari-mutuel wagers by wire*
37 *communication in other states in which such wagering is legal or*
38 *in places outside the United States in which such wagering is*
39 *legal, if such wagers are placed in compliance with all applicable*
40 *laws and regulations of the state or place outside the United*
41 *States.*

42 4. The regulations of the Nevada Gaming Commission may
43 include, without limitation:

44 (a) Requiring fingerprinting of an applicant or licensee, or other
45 method of identification.



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(b) Requiring information concerning an applicant's antecedents, habits and character.

(c) Prescribing the method and form of application which any applicant for a license issued pursuant to this chapter must follow and complete before consideration of his application by the Nevada Gaming Commission.

(d) Prescribing the permissible communications technology and requiring the implementation of border control technology that will ensure that a person cannot place a wager with a race book in this State from another state or another location where placing such a wager is illegal.

5. The Nevada Gaming Commission may appoint an Off-Track Pari-Mutuel Wagering Committee consisting of 11 persons who are licensed to engage in off-track pari-mutuel wagering. If the Commission appoints such a Committee, it shall appoint to the Committee:

(a) Five members from a list of nominees provided by the State Association of Gaming Establishments whose members collectively paid the most gross revenue fees to the State pursuant to NRS 463.370 in the preceding year;

(b) Three members who, in the preceding year, paid gross revenue fees pursuant to NRS 463.370 in an amount that was less than the average amount of gross revenue fees paid by licensees engaged in off-track pari-mutuel wagering in the preceding year; and

(c) Three other members.

➔ If a vacancy occurs in a position on the Committee for any reason, including, but not limited to, termination of a member, the Commission shall appoint a successor member who satisfies the same criteria in paragraph (a), (b) or (c) that applied to the member whose position has been vacated.

6. If the Nevada Gaming Commission appoints an Off-Track Pari-Mutuel Wagering Committee pursuant to subsection 5, the Commission shall:

(a) Grant to the Off-Track Pari-Mutuel Wagering Committee the exclusive right to negotiate an agreement relating to off-track pari-mutuel wagering with:

(1) A person who is licensed or otherwise permitted to operate a wagering pool in another state; and

(2) A person who is licensed pursuant to chapter 464 of NRS as an operator of a system.

(b) Require the Off-Track Pari-Mutuel Wagering Committee to grant to each person licensed pursuant to this chapter to operate an off-track pari-mutuel race pool the right to receive, on a fair and equitable basis, all services concerning wagering in such a race pool



1 that the Committee has negotiated to bring into or provide within
2 this State.

3 7. The Nevada Gaming Commission shall, and it is granted the
4 power to, demand access to and inspect all books and records of any
5 person licensed pursuant to this chapter pertaining to and affecting
6 the subject of the license.

7 **Sec. 24.** NRS 465.080 is hereby amended to read as follows:

8 465.080 1. It is unlawful for any licensee, employee or other
9 person , *not a duly authorized employee of a licensee acting in*
10 *furtherance of his employment within an establishment,* to
11 *possess,* use , *sell or manufacture* counterfeit chips, counterfeit
12 debit instruments or other counterfeit wagering instruments in a
13 gambling game, associated equipment or a cashless wagering
14 system.

15 2. *It is unlawful for any licensee, employee or other person,*
16 *not a duly authorized employee of a licensee acting in furtherance*
17 *of his employment within an establishment, to possess, use, sell or*
18 *manufacture any counterfeit instruments, counterfeit tickets or*
19 *other counterfeit items that are used to determine the outcome of*
20 *any contest or promotional activity conducted by or on behalf of*
21 *any licensee.*

22 3. It is unlawful for any person, in playing or using any
23 gambling game, associated equipment or cashless wagering system
24 designed to be played with, receive or be operated by chips, tokens,
25 wagering credits or other wagering instruments approved by the
26 State Gaming Control Board or by lawful coin of the United States
27 of America:

28 (a) Knowingly to use other than chips, tokens, wagering credits
29 or other wagering instruments approved by the State Gaming
30 Control Board or lawful coin, legal tender of the United States of
31 America, or to use coin or tokens not of the same denomination as
32 the coin or tokens intended to be used in that gambling game,
33 associated equipment or cashless wagering system; or

34 (b) To use any device or means to violate the provisions of this
35 chapter.

36 ~~[3-]~~ 4. It is unlawful for any person, not a duly authorized
37 employee of a licensee acting in furtherance of his employment
38 within an establishment, to have on his person or in his possession
39 on or off the premises of any licensed gaming establishment any
40 device intended to be used to violate the provisions of this chapter.

41 ~~[4-]~~ 5. It is unlawful for any person, not a duly authorized
42 employee of a licensee acting in furtherance of his employment
43 within an establishment, to have on his person or in his possession
44 on or off the premises of any licensed gaming establishment any key
45 or device known to have been designed for the purpose of and



1 suitable for opening, entering or affecting the operation of any
2 gambling game, cashless wagering system or drop box, or any
3 electronic or mechanical device connected thereto, or for removing
4 money or other contents therefrom.

5 ~~[5-]~~ 6. It is unlawful for any person , *not a duly authorized*
6 *employee of a licensee acting in furtherance of his employment*
7 *within an establishment*, to have on his person or in his possession
8 any paraphernalia for manufacturing slugs. As used in this
9 subsection, “paraphernalia for manufacturing slugs” means the
10 equipment, products and materials that are intended for use or
11 designed for use in manufacturing, producing, fabricating,
12 preparing, testing, analyzing, packaging, storing or concealing a
13 counterfeit facsimile of the chips, tokens, debit instruments or other
14 wagering instruments approved by the State Gaming Control Board
15 or a lawful coin of the United States, the use of which is unlawful
16 pursuant to subsection ~~[2-]~~ 3. The term includes, but is not limited
17 to:

- 18 (a) Lead or lead alloys;
- 19 (b) Molds, forms or similar equipment capable of producing a
20 likeness of a gaming token or United States coin;
- 21 (c) Melting pots or other receptacles;
- 22 (d) Torches;
- 23 (e) Tongs, trimming tools or other similar equipment; and
- 24 (f) Equipment which can be reasonably demonstrated to
25 manufacture facsimiles of debit instruments or wagering instruments
26 approved by the State Gaming Control Board.

27 ~~[6-]~~ 7. Possession of more than one of the devices, equipment,
28 products or materials described in this section permits a rebuttable
29 inference that the possessor intended to use them for cheating.

30 **Sec. 25.** NRS 465.094 is hereby amended to read as follows:

31 465.094 The provisions of NRS 465.092 and 465.093 do not
32 apply to a wager placed by a person for his own benefit or, without
33 compensation, for the benefit of another that is accepted or received
34 by, placed with, or sent, transmitted or relayed to:

35 1. A race book or sports pool that is licensed pursuant to
36 chapter 463 of NRS, if the wager is accepted or received within this
37 State and otherwise complies with all other applicable laws and
38 regulations concerning wagering;

39 2. A person who is licensed to engage in off-track pari-mutuel
40 wagering pursuant to chapter 464 of NRS, if the wager is accepted
41 or received within this State and otherwise complies with subsection
42 3 of NRS 464.020 and all other applicable laws and regulations
43 concerning wagering;

44 3. *A person who is licensed to accept off-track pari-mutuel*
45 *horse race wagers in another state in which such wagering is legal*



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1 *or in a place outside the United States in which such wagering is*
2 *legal, if such wagering complies with all applicable laws and*
3 *regulations of the state or place outside the United States;*

4 **4.** A person who is licensed to operate a mobile gaming system
5 pursuant to chapter 463 of NRS, if the wager is accepted or received
6 within this State and otherwise complies with all other applicable
7 laws and regulations concerning wagering; or

8 ~~[4.]~~ **5.** Any other person or establishment that is licensed to
9 engage in wagering pursuant to title 41 of NRS, if the wager is
10 accepted or received within this State and otherwise complies with
11 all other applicable laws and regulations concerning wagering.

12 **Sec. 26.** 1. This section and section 24 of this act become
13 effective upon passage and approval.

14 2. Sections 1 to 23, inclusive, and 25 of this act become
15 effective on July 1, 2007.

