

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:

- 1 Under existing law, the State Gaming Control Board is required to maintain and
- 2 make available to every licensee a list of persons who have been denied a license,
- 3 been found unsuitable or had a license or finding of suitability revoked by the
- 4 Nevada Gaming Commission. (NRS 463.165, 463.167, 463.645) **Sections 1, 5, 6**
- 5 **and 22** of this bill reorganize the provisions pertaining to that list and provide that a
- 6 person whose name is on the list may apply to have his name removed from the list
- 7 no earlier than 5 years after his license was denied, he was found unsuitable or his
- 8 license or finding of suitability was revoked.
- 9 Independent agents who reside in Nevada are currently required to register as
- 10 independent agents pursuant to the regulations adopted by the Nevada Gaming
- 11 Commission and are additionally required to register as gaming employees
- 12 pursuant to statute, whereas independent agents who reside outside Nevada are
- 13 required only to register as independent agents. (NRS 463.335; Regulation 25 of



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)

Under existing law, the Nevada Gaming Commission may, by regulation, authorize a person who owns an antique gaming device to sell that antique gaming device without procuring a license. "Antique gaming device" is defined in existing law as a gaming device that was manufactured before 1951. (NRS 463.650) **Section 22.5** of this bill revises the definition of "antique gaming device" to mean a gaming device that was manufactured before 1961.

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



1 *person who has been denied a license, been found unsuitable or*
2 *had a license or finding of suitability revoked by the Commission.*

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

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

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

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

20 (b) Boxmen;

21 (c) Cashiers;

22 (d) Change personnel;

23 (e) Counting room personnel;

24 (f) Dealers;

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

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

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

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

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

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

45 (m) Floormen;



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1 ~~[(m)]~~ (n) Hosts or other persons empowered to extend credit or
2 complimentary services;
3 ~~[(n)]~~ (o) Keno runners;
4 ~~[(o)]~~ (p) Keno writers;
5 ~~[(p)]~~ (q) Machine mechanics;
6 ~~[(q)]~~ (r) Odds makers and line setters;
7 ~~[(r)]~~ (s) Security personnel;
8 ~~[(s)]~~ (t) Shift or pit bosses;
9 ~~[(t)]~~ (u) Shills;
10 ~~[(u)]~~ (v) Supervisors or managers;
11 ~~[(v)]~~ (w) Ticket writers; and
12 ~~[(w)]~~ (x) Employees of a person required by NRS 463.160 to be
13 licensed to operate an information service.

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

17 **Sec. 3.** NRS 463.01858 is hereby amended to read as follows:

18 463.01858 "Registered as a gaming employee" means
19 authorized to be employed as a gaming employee in this State . ~~for~~
20 ~~to serve as an independent agent.~~

21 **Sec. 4.** NRS 463.01955 is hereby amended to read as follows:

22 463.01955 "Temporarily registered as a gaming employee"
23 means authorized to be employed as a gaming employee in this
24 State ~~for serve as an independent agent~~ from the date of submitting
25 a complete application for registration or renewal of registration for
26 a period not to exceed 120 days following receipt of the complete
27 application by the Board, including classifiable fingerprints, unless
28 otherwise suspended.

29 **Sec. 5.** NRS 463.165 is hereby amended to read as follows:

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

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

41 3. If an employee required to be licensed under subsection 1:

42 (a) Does not apply for a license within 30 days after being
43 requested to do so by the Commission, and the Commission makes a
44 finding of unsuitability for that reason;

45 (b) Is denied a license; or



(c) Has his license revoked by the Commission,
➔ the licensee by whom he is employed shall terminate his employment in any capacity in which he is required to be licensed and shall not permit him to exercise a significant influence over the operation of the gaming establishment upon being notified by registered or certified mail of that action.

4. A gaming licensee or an affiliate of the licensee shall not pay to a person whose employment has been terminated pursuant to subsection 3 any remuneration for any service performed in any capacity in which he is required to be licensed, except for amounts due for services rendered before the date of receipt of notice of the action by the Commission. Any contract or agreement for personal services or for the conduct of any activity at the licensed gaming establishment between a gaming licensee or an affiliate of the licensee and a person terminated pursuant to subsection 3 is subject to termination. Every such agreement 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 expressly to include that condition in the agreement is not a defense in any action brought pursuant to this section to terminate the agreement.

5. A gaming licensee or an affiliate of the licensee shall not, without the prior approval of the Commission, enter into any contract or agreement with a person who is found unsuitable or who is denied a license or whose license is revoked by the Commission, ~~and whose name has been placed on the list maintained pursuant to subsection 8,~~ or with any business enterprise that the licensee knows or under the circumstances reasonably should know is under the control of that person after the date of receipt of notice of the action by the Commission. Every contract or agreement for personal services to a gaming licensee or an affiliate or for the conduct of any activity at a licensed gaming establishment 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 expressly to include such a condition in the agreement is not a defense in any action brought pursuant to this section to terminate the agreement.

6. A gaming licensee or an affiliate of the licensee shall not, without the prior approval of the Commission, employ any person in a capacity for which ~~he~~ *the person* is required to be licensed, if ~~he~~ *the person* has been found unsuitable or denied a license, or ~~whose~~ *if his* license has been revoked by the Commission, ~~and whose name has been placed on the list maintained pursuant to~~



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

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

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

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

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

(b) Maintain confidential records of such information.

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



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1 otherwise filed with the Board as prescribed by regulation of the
2 Commission.

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

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

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

19 ~~[6-]~~ 5. The Board shall immediately conduct an investigation of
20 each person who files an application for registration or renewal of
21 registration as a gaming employee to determine whether he is
22 eligible for registration as a gaming employee. In conducting the
23 investigation, two complete sets of the applicant's fingerprints must
24 be submitted to the Central Repository for Nevada Records of
25 Criminal History for:

26 (a) A report concerning the criminal history of the applicant; and
27 (b) Submission to the Federal Bureau of Investigation for a
28 report concerning the criminal history of the applicant.

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

38 ~~[7-]~~ 6. Upon receipt of a change of employment notice, the
39 Board may conduct any investigations of the gaming employee that
40 the Board deems appropriate to determine whether the gaming
41 employee may remain registered as a gaming employee. The filing
42 of a change of employment notice constitutes an application for
43 registration as a gaming employee, and if the Board, after
44 conducting its investigation, suspends or objects to the continued
45 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 cover the actual investigative and administrative costs related to processing a change of employment notice.

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

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

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

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

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

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

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



~~140.1~~ 9. A person who is temporarily registered or registered as a gaming employee is eligible for employment in any licensed gaming establishment in this State until such registration is objected to by the Board, expires or is suspended or revoked. The Commission shall adopt regulations to:

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

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

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

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

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

~~144.1~~ 10. If the Board, within the 120-day period prescribed in subsection ~~149.1~~ 8, notifies:

(a) The applicable licensee; and

(b) The applicant,

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

~~142.1~~ 11. Any person whose application for registration or renewal of registration as a gaming employee has been suspended or objected to by the Board may, not later than 60 days after receiving notice of the suspension or objection, apply to the Board for a hearing. A failure of a person whose application has been objected to or suspended to apply for a hearing within 60 days or his failure to appear at a hearing of the Board conducted pursuant to this section shall be deemed to be an admission that the suspension or objection is well-founded, and the failure precludes administrative or judicial review. At the hearing, the Board shall take any testimony deemed necessary. After the hearing, the Board shall review the testimony taken and any other evidence, and shall, within 45 days after the date of the hearing, mail to the applicant its decision sustaining or reversing the suspension or the objection to the registration of the applicant as a gaming employee.



~~13.1~~ 12. The Board may suspend or object to the registration of an applicant as a gaming employee for any cause deemed reasonable by the Board. The Board may object to or suspend the registration if the applicant has:

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

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

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

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

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

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

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

➤ If the Board registers or does not suspend or object to the registration of an applicant as a gaming employee, it may specially limit the period for which the registration is valid, limit the job classifications for which the registered gaming employee may be employed and establish such individual conditions for the renewal and effectiveness of the registration as the Board deems appropriate, including required submission to unscheduled tests for the presence of alcohol or controlled substances. *If a gaming employee fails to comply with any limitation or condition placed on the effectiveness of his registration as a gaming employee, notwithstanding any other provision of this section, the Board may object to his registration. If the Board objects to his registration, the provisions regarding the continued effectiveness of the registration and the review of the objection set forth in subsections 10 to 16, inclusive,*



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apply, including, without limitation, the requirement to notify the applicable licensee about the objection.

~~[14.]~~ **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.

~~[15.]~~ **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.

~~[16.]~~ **15.** Notice by the Board as provided pursuant to subsections 1 to ~~[15.]~~ **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.

~~[17.]~~ **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



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1 information is listed in the files and records of the Board. Any
2 record of the Board or Commission which shows that the applicant
3 has been convicted of a crime in another state must show whether
4 the crime was a misdemeanor, gross misdemeanor, felony or other
5 class of crime as classified by the state in which the crime was
6 committed. In a disclosure of the conviction, reference to the
7 classification of the crime must be based on the classification in the
8 state where it was committed.

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

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

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



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(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



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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 ~~[(+)]~~ 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 ~~[(+)]~~ 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. 22.5.** NRS 463.650 is hereby amended to read as follows:

16 463.650 1. Except as otherwise provided in subsections 2 to
17 5, inclusive, it is unlawful for any person, either as owner, lessee or
18 employee, whether for hire or not, to operate, carry on, conduct or
19 maintain any form of manufacture, selling or distribution of any
20 gaming device, cashless wagering system, mobile gaming system or
21 interactive gaming system for use or play in Nevada or for
22 distribution outside of Nevada without first procuring and
23 maintaining all required federal, state, county and municipal
24 licenses.

25 2. A lessor who specifically acquires equipment for a capital
26 lease is not required to be licensed under this section or
27 NRS 463.660.

28 3. The holder of a state gaming license or the holding company
29 of a corporation, partnership, limited partnership, limited-liability
30 company or other business organization holding a license may,
31 within 2 years after cessation of business or upon specific approval
32 by the Board, dispose of by sale in a manner approved by the Board,
33 any or all of its gaming devices, including slot machines, mobile
34 gaming systems and cashless wagering systems, without a
35 distributor's license. In cases of bankruptcy of a state gaming
36 licensee or foreclosure of a lien by a bank or other person holding a
37 security interest for which gaming devices are security in whole or
38 in part for the lien, the Board may authorize the disposition of the
39 gaming devices without requiring a distributor's license.

40 4. The Commission may, by regulation, authorize a person who
41 owns:

42 (a) Gaming devices for home use in accordance with NRS
43 463.160; or

44 (b) Antique gaming devices,



1 ➔ to sell such devices without procuring a license therefor to
2 residents of jurisdictions wherein ownership of such devices is legal.

3 5. Upon approval by the Board, a gaming device owned by:

4 (a) A law enforcement agency;

5 (b) A court of law; or

6 (c) A gaming device repair school licensed by the Commission
7 on Postsecondary Education,

8 ➔ may be disposed of by sale, in a manner approved by the Board,
9 without a distributor's license. An application for approval must be
10 submitted to the Board in the manner prescribed by the Chairman.

11 6. Any person who the Commission determines is a suitable
12 person to receive a license under the provisions of this section and
13 NRS 463.660 may be issued a manufacturer's or distributor's
14 license. The burden of proving his qualification to receive or hold a
15 license under this section and NRS 463.660 is at all times on the
16 applicant or licensee.

17 7. Every person who must be licensed pursuant to this section
18 is subject to the provisions of NRS 463.482 to 463.645, inclusive,
19 unless exempted from those provisions by the Commission.

20 8. The Commission may exempt, for any purpose, a
21 manufacturer, seller or distributor from the provisions of NRS
22 463.482 to 463.645, inclusive, if the Commission determines that
23 the exemption is consistent with the purposes of this chapter.

24 9. As used in this section:

25 (a) "Antique gaming device" means a gaming device that was
26 manufactured before ~~1951~~ 1961.

27 (b) "Holding company" has the meaning ascribed to it in
28 NRS 463.485.

29 **Sec. 23.** (Deleted by amendment.)

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

31 465.080 1. It is unlawful for any licensee, employee or other
32 person , *not a duly authorized employee of a licensee acting in*
33 *furtherance of his employment within an establishment*, to
34 *possess*, use , *sell or manufacture* counterfeit chips, counterfeit
35 debit instruments or other counterfeit wagering instruments in a
36 gambling game, associated equipment or a cashless wagering
37 system.

38 2. *It is unlawful for any licensee, employee or other person,*
39 *not a duly authorized employee of a licensee acting in furtherance*
40 *of his employment within an establishment, to possess, use, sell or*
41 *manufacture any counterfeit instruments, counterfeit tickets or*
42 *other counterfeit items that are used to determine the outcome of*
43 *any contest or promotional activity conducted by or on behalf of*
44 *any licensee.*



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

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

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

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

~~[4-]~~ 5. It is unlawful for any person, not a duly authorized employee of a licensee acting in furtherance of his employment within an establishment, to have on his person or in his possession on or off the premises of any licensed gaming establishment any key or device known to have been designed for the purpose of and suitable for opening, entering or affecting the operation of any gambling game, cashless wagering system or drop box, or any electronic or mechanical device connected thereto, or for removing money or other contents therefrom.

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

(a) Lead or lead alloys;

(b) Molds, forms or similar equipment capable of producing a likeness of a gaming token or United States coin;

(c) Melting pots or other receptacles;



- 1 (d) Torches;
- 2 (e) Tongs, trimming tools or other similar equipment; and
- 3 (f) Equipment which can be reasonably demonstrated to
- 4 manufacture facsimiles of debit instruments or wagering instruments
- 5 approved by the State Gaming Control Board.

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

9 **Sec. 25.** (Deleted by amendment.)

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

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

