

SENATE BILL NO. 453—COMMITTEE ON FINANCE

(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 26, 2007

Referred to Committee on Finance

SUMMARY—Revises the provisions relating to problem gambling.
(BDR 40-1410)

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 problem gambling; revising the provisions relating to the membership and duties of the Advisory Committee on Problem Gambling; revising the provisions relating to the use of money in the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law creates the Advisory Committee on Problem Gambling and provides that its membership consists of nine members appointed by the Governor, including one member who holds a restricted gaming license and two members who hold nonrestricted gaming licenses. (NRS 458A.060) **Section 1** of this bill allows the members who hold restricted or nonrestricted gaming licenses to appoint alternate members to act in their place if they are unable to attend meetings or perform their duties.

Under existing law, the Advisory Committee on Problem Gambling is required to: (1) review requests received by the Department of Health and Human Services for a grant of money or a contract for services to provide programs for the prevention and treatment of problem gambling; (2) recommend to the Director of the Department each request that the Advisory Committee believes should be awarded; (3) establish criteria for determining whom to recommend for grants of money or contracts for services; (4) monitor each grant of money awarded; and (5) assist the Department in determining the needs of local communities and in establishing priorities for funding programs for the prevention and treatment of problem gambling. (NRS 458A.070, 458A.080) Existing law also establishes the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling and provides that, other than the costs of administration, the



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money in the Account must be used only to award grants of money or contracts for services to provide programs for the prevention and treatment of problem gambling. (NRS 458A.090)

Sections 2-4 of this bill expand the scope of the duties that the Advisory Committee currently performs to include not only reviewing, considering, monitoring and making recommendations regarding programs for the prevention and treatment of problem gambling, but also reviewing, considering, monitoring and making recommendations regarding services related to the development of data, the assessment of needs, the performance of evaluations or technical assistance. **Section 4** also authorizes the expenditure of money in the Account for such services. Additionally, **section 4** increases the percentage of money in the Account that the Director may use for administration of the Account from 1 percent to 10 percent. (NRS 458A.090)

Sections 5 and 6 of this bill repeal the prospective expiration of the provision which currently requires the Nevada Gaming Commission to deposit in the Account \$2 for each slot machine subject to licensing fees and provide that the Commission will continue to deposit that amount indefinitely. (NRS 463.320; chapter 394, Statutes of Nevada 2005, p. 1532)

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 458A.060 is hereby amended to read as follows:

458A.060 1. The Advisory Committee on Problem Gambling, consisting of nine *regular* members, is hereby created within the Department.

2. The Governor shall appoint *the following regular members* to the Advisory Committee:

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

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

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

(d) One *regular* member who represents the Nevada System of Higher Education and has experience in the prevention or treatment of problem gambling;

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

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

3. *Each regular member appointed pursuant to paragraph (a) or (b) of subsection 2 may appoint an alternate member to serve in his place if he is unable to attend a meeting or perform his duties.*

4. After the initial terms, each *regular* member of the Advisory Committee serves for a term of 2 years. Each *regular* member of the



1 Advisory Committee continues in office until his successor is
2 appointed.

3 ~~[4.]~~ *Each alternate member appointed pursuant to subsection*
4 *3 serves during the term of the regular member who appointed*
5 *him and may be reappointed.*

6 5. The *regular* members *and alternate members* of the
7 Advisory Committee serve without compensation, except that ~~each~~
8 ~~member is~~ *the regular members and alternate members are*
9 entitled to receive the per diem allowance and travel expenses
10 provided for state officers and employees generally while engaged
11 in the business of the Advisory Committee.

12 ~~[5.]~~ 6. A majority of the ~~[members]~~ *total membership* of the
13 Advisory Committee constitutes a quorum for the transaction of
14 business, and a majority of a quorum present at any meeting is
15 sufficient for any action taken by the Advisory Committee.

16 ~~[6.]~~ 7. A *regular* member of the Advisory Committee who is
17 an officer or employee of the State or a political subdivision of the
18 State must be relieved from his duties without loss of his regular
19 compensation so that he may prepare for and attend meetings of the
20 Advisory Committee and perform any work necessary to carry out
21 the duties of the Advisory Committee in the most timely manner
22 practicable. A state agency or political subdivision of the State shall
23 not require an officer or employee who is a *regular* member of the
24 Advisory Committee to:

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

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

28 ~~[7.]~~ 8. The Advisory Committee shall:

29 (a) At its first meeting and annually thereafter, elect a Chairman
30 from among its *regular* members;

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

34 (c) Adopt rules for its management and government.

35 **Sec. 2.** NRS 458A.070 is hereby amended to read as follows:
36 458A.070 The Advisory Committee shall:

37 1. Review each request received by the Department from a
38 state agency or other political subdivision of the State or from an
39 organization or educational institution for a grant of money or a
40 contract for services to provide programs for the prevention and
41 treatment of problem gambling ~~[.]~~ *or to provide services related to*
42 *the development of data, the assessment of needs, the performance*
43 *of evaluations or technical assistance;*



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

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

4. Monitor each grant of money awarded by the Department ~~for~~ *to provide programs for* the prevention and treatment of problem gambling ~~or~~ *or to provide services related to the development of data, the assessment of needs, the performance of evaluations or technical assistance;* and

5. Assist the Department in determining the needs of local communities and in establishing priorities for funding programs for the prevention and treatment of problem gambling ~~and funding services related to the development of data, the assessment of needs, the performance of evaluations or technical assistance.~~

Sec. 3. NRS 458A.080 is hereby amended to read as follows:

458A.080 The Chairman of the Advisory Committee may appoint groups consisting of members of the Advisory Committee, former members of the Advisory Committee and members of the public who have appropriate experience or knowledge to:

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

2. Review requests for grants of money or contracts for services related to specific programs for the prevention and treatment of problem gambling ~~or~~ *or services related to the development of data, the assessment of needs, the performance of evaluations or technical assistance.*

Sec. 4. NRS 458A.090 is hereby amended to read as follows:

458A.090 1. The Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling is hereby created in the State General Fund. The Director shall administer the Account.

2. Except as otherwise provided in this subsection, the money in the Account must be expended only to award grants of money or contracts for services to state agencies and other political subdivisions of the State or to organizations or educational institutions to provide programs for the prevention and treatment of problem gambling ~~or~~ *or to provide services related to the development of data, the assessment of needs, the performance of evaluations or technical assistance.* The Director may use not more than ~~10~~ *10* percent of the money in the Account to administer the Account.



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

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

Sec. 5. NRS 463.320 is hereby amended to read as follows:

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

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

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

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

(c) One twenty-fifth of the license fee imposed by the provisions of NRS 463.370 on gross revenue which exceeds \$134,000 per calendar month that is paid pursuant to subsection 2 of NRS



1 464.045 by persons licensed to conduct off-track pari-mutuel
2 wagering must, after the deduction of costs of administration and
3 collection, be allocated pro rata among the counties in this State
4 whose population is less than 100,000 in which on-track pari-mutuel
5 wagering is conducted. The allocation must be based upon the
6 amounts paid from each such county pursuant to subsection 2 of
7 NRS 466.125 and transmitted to the respective county treasurers.
8 Money received by a county treasurer pursuant to this paragraph
9 must be deposited in the county general fund and expended to
10 augment any stakes, purses or rewards which are offered with
11 respect to horse races conducted in that county by a state fair
12 association, agricultural society or county fair and recreation board.

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

33 (e) The Commission shall deposit quarterly in the Revolving
34 Account to Support Programs for the Prevention and Treatment of
35 Problem Gambling created by NRS 458A.090 ~~the~~:

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

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



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1 **Sec. 6.** Section 16 of chapter 394, Statutes of Nevada 2005, at
2 page 1532, is hereby amended to read as follows:

3 Sec. 16. ~~{1.}~~ This act becomes effective on July 1,
4 2005.

5 ~~{2. Section 14 of this act expires by limitation on~~
6 ~~June 30, 2007.}~~

7 **Sec. 7.** This act becomes effective upon passage and approval.

