

Amendment No. 703

Senate Amendment to Assembly Bill No. 535 First Reprint
(BDR 41-591)

Proposed by: Senate Committee on Judiciary

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

BAW



Date: 5/14/2007

A.B. No. 535—Revises various provisions pertaining to gaming. (BDR 41-591)



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 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 pari-mutuel wagers on horse racing in other states and foreign countries where such wagering is legal.~~

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

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

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

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

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

(b) Boxmen;
(c) Cashiers;
(d) Change personnel;
(e) Counting room personnel;
(f) Dealers;
(g) Employees of a person required by NRS 464.010 to be licensed to operate an off-track pari-mutuel system;
(h) Employees of a person required by NRS 463.430 to be licensed to disseminate information concerning racing;

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

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

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

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

(m) Floormen;

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

~~(n)~~ (o) Keno runners;

~~(o)~~ (p) Keno writers;

~~(p)~~ (q) Machine mechanics;

~~(q)~~ (r) Odds makers and line setters;

~~(r)~~ (s) Security personnel;

~~(s)~~ (t) Shift or pit bosses;

~~(t)~~ (u) Shills;

~~(u)~~ (v) Supervisors or managers;

~~(v)~~ (w) Ticket writers; and

~~(w)~~ (x) Employees of a person required by NRS 463.160 to be licensed to operate an information service.

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

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

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

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

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

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

463.165 1. Except for persons associated with licensed corporations, limited partnerships or limited-liability companies and required to be licensed pursuant to

1 NRS 463.530, 463.569 or 463.5735, each employee, agent, guardian, personal
2 representative, lender or holder of indebtedness of a gaming licensee who, in the
3 opinion of the Commission, has the power to exercise a significant influence over
4 the licensee's operation of a gaming establishment may be required to apply for a
5 license.

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

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

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

12 (b) Is denied a license; or

13 (c) Has his license revoked by the Commission,

14 ➤ the licensee by whom he is employed shall terminate his employment in any
15 capacity in which he is required to be licensed and shall not permit him to exercise
16 a significant influence over the operation of the gaming establishment upon being
17 notified by registered or certified mail of that action.

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

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

45 6. A gaming licensee or an affiliate of the licensee shall not, without the prior
46 approval of the Commission, employ any person in a capacity for which ~~he~~ *the*
47 *person* is required to be licensed, if ~~he~~ *the person* has been found unsuitable or
48 denied a license, or ~~whose~~ *if his* license has been revoked by the Commission,
49 ~~and whose name has been placed on the list maintained pursuant to subsection 8,]~~
50 after the date of receipt of notice of the action by the Commission. Every contract
51 or agreement for employment with a gaming licensee or an affiliate shall be
52 deemed to include a provision for its termination without liability on the part of the
53 licensee or affiliate upon a finding by the Commission that the person is unsuitable

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

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

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

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

13 463.167 1. The Commission may determine the suitability, or may require
14 the licensing, of any person who furnishes services or property to a state gaming
15 licensee under any arrangement pursuant to which the person receives payments
16 based on earnings, profits or receipts from gaming. The Commission may require
17 any such person to comply with the requirements of this chapter and with the
18 regulations of the Commission. If the Commission determines that any such person
19 is unsuitable, it may require the arrangement to be terminated.

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

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

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

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

32 3. If the Commission determines that the person is unsuitable to be associated
33 with a gaming enterprise, the association must be terminated. Any agreement which
34 entitles a business other than gaming to be conducted on the premises, or entitles a
35 person other than gaming to conduct business with the licensed gaming
36 establishment as set forth in paragraph (b) or (c) of subsection 2, is subject to
37 termination upon a finding of unsuitability of the person associated therewith.
38 Every such agreement must be deemed to include a provision for its termination
39 without liability on the part of the licensee upon a finding by the Commission that
40 the person associated therewith is unsuitable to be associated with a gaming
41 enterprise. Failure expressly to include that condition in the agreement is not a
42 defense in any action brought pursuant to this section to terminate the agreement. If
43 the application is not presented to the board within 30 days following demand or
44 the unsuitable association is not terminated, the Commission may pursue any
45 remedy or combination of remedies provided in this chapter.

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

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

50 463.335 1. The Legislature finds that, to protect and promote the health,
51 safety, morals, good order and general welfare of the inhabitants of the State of
52 Nevada and to carry out the policy declared in NRS 463.0129, it is necessary that
53 the Board:

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

4 (b) Maintain confidential records of such information.

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

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

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

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

30 ~~{6.}~~ 5. The Board shall immediately conduct an investigation of each person
31 who files an application for registration or renewal of registration as a gaming
32 employee to determine whether he is eligible for registration as a gaming employee.
33 In conducting the investigation, two complete sets of the applicant's fingerprints
34 must be submitted to the Central Repository for Nevada Records of Criminal
35 History for:

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

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

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

46 ~~{7.}~~ 6. Upon receipt of a change of employment notice, the Board may
47 conduct any investigations of the gaming employee that the Board deems
48 appropriate to determine whether the gaming employee may remain registered as a
49 gaming employee. The filing of a change of employment notice constitutes an
50 application for registration as a gaming employee, and if the Board, after
51 conducting its investigation, suspends or objects to the continued registration of the
52 gaming employee, the provisions of subsections ~~{11 to 17.}~~ 10 to 16, inclusive,
53 apply to such suspension by or objection of the Board. No fee may be charged by

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

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

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

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

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

26 (c) The fee for processing the application for registration or renewal of
27 registration as a gaming employee prescribed by the Board pursuant to subsection
28 ~~§ 5,~~ unless otherwise prescribed by regulation of the Commission; and

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

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

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

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

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

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

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

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

52 ~~§ 10.~~ If the Board, within the 120-day period prescribed in subsection ~~§ 9~~
53 ~~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.

~~H2-1~~ **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.

~~H3-1~~ **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*

1 *condition placed on the effectiveness of his registration as a gaming employee,*
2 *notwithstanding any other provision of this section, the Board may object to his*
3 *registration. If the Board objects to his registration, the provisions regarding the*
4 *continued effectiveness of the registration and the review of the objection set*
5 *forth in subsections 10 to 16, inclusive, apply, including, without limitation, the*
6 *requirement to notify the applicable licensee about the objection.*

7 ~~H4-1~~ 13. Any applicant aggrieved by the decision of the Board may, within 15
8 days after the announcement of the decision, apply in writing to the Commission
9 for review of the decision. Review is limited to the record of the proceedings before
10 the Board. The Commission may sustain, modify or reverse the Board's decision.
11 The decision of the Commission is subject to judicial review pursuant to NRS
12 463.315 to 463.318, inclusive.

13 ~~H5-1~~ 14. The Chairman of the Board may designate a member of the Board or
14 the Board may appoint a hearing examiner and authorize that person to perform on
15 behalf of the Board any of the following functions required of the Board by this
16 section concerning the registration or renewal of registration of gaming employees:

- 17 (a) Conducting a hearing and taking testimony;
18 (b) Reviewing the testimony and evidence presented at the hearing;
19 (c) Making a recommendation to the Board based upon the testimony and
20 evidence or rendering a decision on behalf of the Board to sustain or reverse the
21 suspension of or the objection to the registration of an applicant as a gaming
22 employee; and
23 (d) Notifying the applicant of the decision.

24 ~~H6-1~~ 15. Notice by the Board as provided pursuant to subsections 1 to ~~H5-1~~
25 14, inclusive, is sufficient if it is mailed to the applicant's last known address as
26 indicated on the application for registration as a gaming employee or the record of
27 the hearing, as the case may be. The date of mailing may be proven by a certificate
28 signed by an officer or employee of the Board which specifies the time the notice
29 was mailed. The notice shall be deemed to have been received by the applicant 5
30 days after it is deposited with the United States Postal Service with the postage
31 thereon prepaid.

32 ~~H7-1~~ 16. Except as otherwise provided in this subsection, all records acquired
33 or compiled by the Board or Commission relating to any application made pursuant
34 to this section, all lists of persons registered as gaming employees, all lists of
35 persons suspended or objected to by the Board and all records of the names or
36 identity of persons engaged in the gaming industry in this State are confidential and
37 must not be disclosed except in the proper administration of this chapter or to an
38 authorized law enforcement agency. Upon receipt of a request from the Division of
39 Welfare and Supportive Services of the Department of Health and Human Services
40 pursuant to NRS 425.400 for information relating to a specific person who has
41 applied for registration as a gaming employee or is registered as a gaming
42 employee, the Board shall disclose to the Division his social security number,
43 residential address and current employer as that information is listed in the files and
44 records of the Board. Any record of the Board or Commission which shows that the
45 applicant has been convicted of a crime in another state must show whether the
46 crime was a misdemeanor, gross misdemeanor, felony or other class of crime as
47 classified by the state in which the crime was committed. In a disclosure of the
48 conviction, reference to the classification of the crime must be based on the
49 classification in the state where it was committed.

50 ~~H8-1~~ 17. If the Central Repository for Nevada Records of Criminal History, in
51 accordance with the provisions of NRS 179D.570, provides the Board with the
52 name and other identifying information of a registered gaming employee who is not
53 in compliance with the provisions of chapter 179D of NRS, the Board shall notify

1 the person that, unless he provides the Board with verifiable documentation
2 confirming that he is currently in compliance with the provisions of chapter 179D
3 of NRS within 15 days after receipt of such notice, the Board shall, notwithstanding
4 any other provisions of this section, conduct a hearing for the purpose of
5 determining whether the registration of the person as a gaming employee must be
6 suspended for noncompliance with the provisions of chapter 179D of NRS.

7 ~~19-1~~ 18. Notwithstanding any other provisions of this section, if a person
8 notified by the Board pursuant to subsection ~~18-1~~ 17 does not provide the Board,
9 within the 15 days prescribed therein, with verifiable documentation establishing
10 that he is currently in compliance with the provisions of chapter 179D of NRS, the
11 Chairman of the Board shall, within 10 days thereof, appoint a hearing examiner to
12 conduct a hearing to determine whether the person is, in fact, not in compliance
13 with the provisions of chapter 179D of NRS. The hearing examiner shall, within 5
14 days after the date he is appointed by the Chairman, notify the person of the date of
15 the hearing. The hearing must be held within 20 days after the date on which the
16 hearing examiner is appointed by the Chairman, unless administratively extended
17 by the Chairman for good cause. At the hearing, the hearing examiner may take any
18 testimony deemed necessary and shall render a decision sustaining or reversing the
19 findings of the Central Repository for Nevada Records of Criminal History. The
20 hearing examiner shall notify the person of his decision within 5 days after the date
21 on which the decision is rendered. A failure of a person to appear at a hearing
22 conducted pursuant to this section shall be deemed to be an admission that the
23 findings of the hearing examiner are well-founded.

24 ~~20-1~~ 19. If, after conducting the hearing prescribed in subsection ~~19-1~~ 18, the
25 hearing examiner renders a decision that the person who is the subject of the
26 hearing:

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

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

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

33 (3) Notify the licensee for which the person is employed as a gaming
34 employee, in the manner prescribed in subsection ~~21-1~~ 20, that the Board has
35 suspended the registration of the person as a gaming employee and that the licensee
36 must immediately terminate the person from employment or reassign him to a
37 position that does not require registration as a gaming employee.

38 (b) Is in compliance with the provisions of chapter 179D of NRS, the Board
39 shall notify the person and the Central Repository for Nevada Records of Criminal
40 History, in the manner prescribed in subsection ~~21-1~~ 20, of the findings of the
41 hearing examiner.

42 ~~21-1~~ 20. Notice as provided pursuant to subsections ~~18-1, 19 and 20-1~~ 17, 18
43 and 19 is sufficient if it is mailed to the person's last known address as indicated on
44 the most recent application for registration as a gaming employee or the record of
45 the hearing, or to the person at his place of gaming employment. The date of
46 mailing may be proven by a certificate signed by an officer or employee of the
47 Board which specifies the time the notice was mailed. The notice shall be deemed
48 to have been received by the applicant 5 days after it is deposited with the United
49 States Postal Service with the postage thereon prepaid.

50 ~~22-1~~ 21. The Board shall remove a suspension entered in accordance with
51 subsection ~~20-1~~ 19 and reinstate the registration of a person as a gaming employee
52 upon receipt of verifiable documentation confirming that the person is currently in
53 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 ~~for independent agent,~~ who is registered as a gaming employee with the Board ~~is~~ 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 ~~for 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 section is entitled to judicial review of the Commission's action in the manner prescribed by NRS 463.315 to 463.318, inclusive.

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

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

463.362 1. Whenever a ~~licensee and a~~ patron *and a licensee, or any person acting on behalf of or in conjunction with a licensee,* have any dispute ~~as~~

~~to alleged~~ which cannot be resolved to the satisfaction of the patron and which involves:

(a) Alleged winnings, alleged losses or 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; or

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

the licensee ~~and the patron are unable to resolve the dispute to the satisfaction of the patron and the dispute involves;~~ is responsible for notifying the Board or patron in accordance with the provisions of subsection 2, regardless of whether the licensee is directly or indirectly involved in the dispute.

2. Whenever a dispute described in subsection 1 involves:

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

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

~~The~~

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

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

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

~~4.~~ **5.** The decision of the agent of the Board is effective on the date the aggrieved party receives notice of the decision. Notice of the decision shall be deemed sufficient if it is mailed to the last known address of the licensee and patron. 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 licensee or the patron 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

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

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

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

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

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

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

1. A share of the profits;

2. Any other compensation by way of income; or

3. A return of any or all of his contribution to capital of the limited partnership,

1 or the right to exercise any of the rights or powers provided in chapter 88 of
2 NRS ~~or~~ *or the laws of any state other than this State*, whether directly or
3 indirectly.

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

5 463.505 1. The purported granting of an option to purchase any security
6 issued by a corporation, other than a publicly traded corporation, which holds a
7 state gaming license ~~or~~ *or which is a holding company or an intermediary*
8 *company for an entity that holds a state gaming license* or the purported sale,
9 assignment, transfer, pledge or other disposition of an existing option to acquire
10 such a security is void unless administratively approved in advance by the
11 Chairman of the Board.

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

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

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

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

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

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

25 463.510 1. The purported sale, assignment, transfer, pledge, exercise of an
26 option to purchase or other disposition of any security issued by a corporation,
27 other than a publicly traded corporation, which holds a state gaming license *or*
28 *which is a holding company or an intermediary company for an entity that holds*
29 *a state gaming license* is void unless approved in advance by the Commission.

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

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

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

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

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

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

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

48 463.564 In order to be eligible to receive a state gaming license, a limited
49 partnership shall:

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

51 ~~—2—~~ Maintain an office of the limited partnership on the licensed premises;

52 ~~3—~~ 2. Comply with all of the requirements of the laws of this State pertaining
53 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;

(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;~~

1 ~~—2.1~~ Maintain an office of the limited-liability company on the licensed
2 premises;

3 ~~3.1~~ 2. Comply with all of the requirements of the laws of this State pertaining
4 to limited-liability companies; and

5 ~~4.1~~ 3. Maintain a ledger in the principal office of the limited-liability
6 company in this State, which must:

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

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

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

12 463.57325 1. The purported granting of an option to purchase any interest
13 in a limited-liability company which holds a state gaming license *or which is a*
14 *holding company or an intermediary company for an entity that holds a state*
15 *gaming license* or the purported sale, assignment, transfer, pledge or other
16 disposition of an existing option to acquire such an interest is ~~ineffective~~ void
17 unless administratively approved in advance by the Chairman of the Board.

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

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

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

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

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

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

31 463.5733 1. The purported sale, assignment, transfer, pledge, exercise of an
32 option to purchase , or other disposition of any interest in a limited-liability
33 company which holds a state gaming license *or which is a holding company or an*
34 *intermediary company for an entity that holds a state gaming license* is
35 ~~ineffective~~ void unless approved in advance by the Commission.

36 2. If at any time the Commission finds that a member is unsuitable to hold an
37 interest in a limited-liability company, the Commission shall immediately notify the
38 limited-liability company of that fact. The limited-liability company shall, within
39 10 days after it receives the notice from the Commission, return to the member, in
40 cash, the amount of his capital account as reflected on the books of the company.

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

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

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

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

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

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

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

2 463.643 1. Each person who acquires, directly or indirectly ~~{beneficial}~~ :

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

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

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

9 2. Each person who acquires, directly or indirectly, beneficial *or record*
10 ownership of any debt security in a publicly traded corporation which is registered
11 with the Commission may be required to be found suitable if the Commission has
12 reason to believe that his acquisition of the debt security would otherwise be
13 inconsistent with the declared policy of this state.

14 3. Each person who, individually or in association with others, acquires,
15 directly or indirectly, beneficial ownership of more than 5 percent of any class of
16 voting securities of a publicly traded corporation registered with the Nevada
17 Gaming Commission, and who is required to report, or voluntarily reports, the
18 acquisition to the Securities and Exchange Commission pursuant to section
19 13(d)(1), 13(g) or 16(a) of the Securities Exchange Act of 1934, as amended, 15
20 U.S.C. §§ 78m(d)(1), 78m(g) and 78p(a), respectively, shall file a copy of that
21 report, and any amendments thereto, with the Nevada Gaming Commission within
22 10 days after filing that report with the Securities and Exchange Commission.

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

31 5. A person who acquires ~~{beneficial}~~ , *directly or indirectly*:

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

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

35 ↳ in a publicly traded corporation created under the laws of a foreign country
36 which is registered with the Commission shall file such reports and is subject to
37 such a finding of suitability as the Commission may prescribe.

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

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

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

46 7. Any person required by the Commission or this section to be found suitable
47 who is found unsuitable by the Commission shall not hold directly or indirectly the
48 ~~{beneficial}~~ :

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

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

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

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

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

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

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

~~[(a)]~~ 1. Pay him any remuneration for any service relating to the activities of a licensee, except for amounts due for services rendered before the date of receipt of notice of such action by the Commission. Any contract or agreement for personal services or the conduct of any activity at a licensed gaming establishment between a former employee whose employment was terminated because of failure to apply for a license or a finding of suitability, denial of a license or finding of suitability, or revocation of a license or a finding of suitability, or any business enterprise under the control of that employee and the licensee, holding or intermediary company or registered publicly traded corporation 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 upon a finding by the Commission that the business or any person associated therewith 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.

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

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

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

Sec. 22.5. NRS 463.650 is hereby amended to read as follows:

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

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

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

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

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

(b) Antique gaming devices,

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

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

(a) A law enforcement agency;

(b) A court of law; or

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

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

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

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

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

9. As used in this section:

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

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

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

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

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

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

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

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

~~→ This subsection does not prohibit a person licensed to accept, pursuant to regulations adopted by the Nevada Gaming Commission, off-track pari-mutuel wagers from accepting wagers made by wire communication from patrons within the State of Nevada, from other states in which such wagering is legal or from places outside the United States in which such wagering is legal. This subsection does not prohibit a patron within the State of Nevada from placing off-track pari-mutuel wagers by wire communication in other states in which such wagering is legal or in places outside the United States in which such wagering is legal, if such wagers are placed in compliance with all applicable laws and regulations of the state or place outside the United States.~~

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

~~— (a) Requiring fingerprinting of an applicant or licensee, or other method of identification;~~

~~— (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 that the Committee has negotiated to bring into or provide within this State.~~

~~7. The Nevada Gaming Commission shall, and it is granted the power to, demand access to and inspect all books and records of any person licensed pursuant to this chapter pertaining to and affecting the subject of the license.] (Deleted by amendment.)~~

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

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

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

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;

(d) Torches;

(e) Tongs, trimming tools or other similar equipment; and

(f) Equipment which can be reasonably demonstrated to manufacture facsimiles of debit instruments or wagering instruments approved by the State Gaming Control Board.

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

Sec. 25. ~~[NRS 465.094 is hereby amended to read as follows:~~

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

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

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

~~3. A person who is licensed to accept off-track pari-mutuel horse race wagers in another state in which such wagering is legal or in a place outside the United States in which such wagering is legal, if such wagering complies with all applicable laws and regulations of the state or place outside the United States;~~

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

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

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

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