

Amendment No. 565

Senate Amendment to Senate Bill No. 381

(BDR 41-1130)

Proposed by: Senate Committee on Judiciary**Amends:** Summary: Yes Title: Yes 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: 4/19/2007

S.B. No. 381—Authorizes the Chairman of the State Gaming Control Board to allow the partial abatement of certain license fees paid by certain gaming licensees. (BDR 41-1130)



SENATE BILL NO. 381—COMMITTEE ON JUDICIARY

MARCH 19, 2007

Referred to Committee on Judiciary

SUMMARY—Authorizes the Chairman of the State Gaming Control Board to allow ~~the partial abatement~~ **abatements** of certain license fees paid by certain gaming licensees. (BDR 41-1130)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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; authorizing the Chairman of the State Gaming Control Board to allow ~~the partial abatement~~ **abatements** of certain license fees paid by certain gaming licensees; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, gaming licensees are required to pay license fees to the Nevada Gaming Commission based upon their gross revenue. (NRS 463.370) This bill authorizes the Chairman of the State Gaming Control Board to allow ~~the partial abatement~~ **abatements** of those license fees if a licensee seeks and obtains certification as a "reinvestment licensee." To obtain such certification, the licensee must meet certain criteria, such as holding a nonrestricted license, not exceeding the maximum gross ~~gaming~~ revenue for a fiscal year, **offering full-time employees health care coverage and either: (1) maintaining a certain number of full-time employees at an establishment for which ~~a partial abatement is~~ abatements of license fees are sought ~~(-)~~ and paying those full-time employees certain wages ~~and offering those full-time employees health care coverage.~~ ; or (2) having obtained a reduction in taxable value. Any ~~partial abatement~~ abatements of license fees that ~~is ordered~~ are authorized** must be expended for purposes related to reinvestment in the establishment, such as enhancements to gaming devices, making capital improvements to the establishment or defraying the costs of compliance with regulatory requirements. **A reinvestment licensee may begin accruing credits for abatements of license fees on July 1, 2007, and may begin taking such credits against license fees imposed on gross revenue received after July 1, 2009.**

This bill becomes effective on July 1, 2007, and expires by limitation on June 30, 2011.

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. A licensee that is eligible for certification as a reinvestment licensee pursuant to subsection 2 may ~~apply~~ file a request, on a form provided by the Board, ~~to~~ with the Chairman of the Board for certification as a reinvestment licensee for one or more establishments operated by the licensee. If ~~an application~~ a request for certification as a reinvestment licensee is approved, the Chairman or his designee may ~~order a partial abatement~~ authorize abatements of the license fees required to be paid pursuant to NRS 463.370 in an amount that does not exceed \$150,000 for each establishment for which ~~a partial abatement is~~ abatements of license fees are sought that is operated by the ~~certified~~ reinvestment licensee during each fiscal year.

2. To be eligible for certification as a reinvestment licensee, a licensee must provide evidence ~~[that the licensee meets all the following requirements]~~ of the following:

(a) The licensee must hold a nonrestricted license for the operation of 16 or more slot machines or for the operation of any number of slot machines together with any other game, gaming device, race book or sports pool at one establishment.

(b) The licensee must have had gross ~~gaming~~ revenue of less than \$50,000,000 in the fiscal year immediately preceding the year in which ~~a partial abatement~~ abatements of license fees are proposed to be taken pursuant to this section. ~~[is proposed to be taken]~~

(c) The licensee must provide health insurance coverage or a health benefit plan for all full-time employees ~~[that includes]~~ pursuant to subsection 1 of NRS 363B.115, and such health insurance coverage or such a health benefit plan must include an option for coverage for dependents of the employees.

(d) The licensee must ~~have~~ either:

(1) Have 15 or more full-time employees employed on the premises of each establishment for which ~~a partial abatement is~~ abatements of license fees are sought, as evidenced by the report filed by the licensee pursuant to NRS 612.535, and the average hourly wage earned by the full-time employees at the establishment must be at least 150 percent of the state minimum wage ~~for~~

~~(c) The licensee must have applied for]~~ ; or

(2) Have obtained, pursuant to the provisions of NRS 361.227 and 361.2285, a reduction of the taxable value of the real and personal property ~~[comprising]~~ of the establishment for which ~~a partial abatement is~~ abatements of license fees are sought. ~~[pursuant to the provisions of NRS 361.227 and 361.2285, and the licensee must have obtained a determination that it is entitled to a reduction in taxable value.]~~

3. The Chairman or his designee may approve ~~an application~~ a request for certification as a reinvestment licensee if the Chairman or his designee finds that the ~~applicant~~ licensee satisfies the criteria set forth in subsection 2.

4. If the Chairman or his designee approves ~~an application~~ a request for certification as a reinvestment licensee and ~~orders a partial abatement~~ authorizes abatements of the license fees required to be paid pursuant to NRS 463.370, not later than 120 days after completion of the fiscal year in which ~~the partial abatement is~~ abatements of license fees are taken, ~~a certified~~ the reinvestment licensee shall certify to the Board that ~~any partial abatement~~

1 abatements of license fees taken ~~(has)~~ have been applied on a dollar-for-dollar
2 basis against actual expenses incurred or reinvestments in its gaming business
3 made by the ~~(certified)~~ reinvestment licensee in the fiscal year for which the
4 ~~(partial abatement was)~~ abatements of license fees were authorized, for any of the
5 following:

6 (a) Expenditures made by the ~~(certified)~~ reinvestment licensee for the
7 purchase or lease of gaming devices or associated equipment, including, without
8 limitation, software and enhancements to such gaming devices and associated
9 equipment used at the gaming establishment;

10 (b) Expenditures made by the ~~(certified)~~ reinvestment licensee for capital
11 improvements to the establishment for the purpose of updating, upgrading or
12 expanding its gaming facility or adding or enhancing public safety and security
13 systems and related improvements to the premises; or

14 (c) Any expenses incurred by the ~~(certified)~~ reinvestment licensee to comply
15 with any requirements imposed on the ~~(certified)~~ reinvestment licensee pursuant
16 to regulations or technical standards adopted by the Commission.

17 5. If a ~~(certified)~~ reinvestment licensee:

18 (a) Ceases its gaming operations before the expiration of any period for
19 which ~~(a partial abatement has)~~ abatements of license fees have been taken; or

20 (b) Fails to certify that expenses authorized to be taken against ~~(a partial~~
21 ~~abatement)~~ abatements of license fees have been taken or, after certifying as to
22 such expenses or reinvestments, fails to produce reasonable and adequate records
23 as to such expenditures upon audit by the Board,

24 the ~~(certified)~~ reinvestment licensee shall repay to the Commission the amount
25 of any ~~(partial abatement)~~ abatements of license fees taken plus interest on the
26 amount due to the Commission at the rate most recently established pursuant to
27 NRS 99.040 each month, or portion thereof, from the last day of the month
28 following the period for which the payment would have been made had the
29 ~~(partial abatement)~~ abatements of license fees not been authorized until the date
30 of payment of the fee.

31 6. A licensee who has ~~(applied for)~~ requested certification or been certified
32 as a reinvestment licensee pursuant to this section and who is aggrieved by a final
33 decision of the Chairman or his designee may, within 60 days after it becomes
34 final, petition for judicial review in the manner provided by NRS 463.315 to
35 463.318, inclusive.

36 7. Credits for abatements of license fees based upon expenditures
37 authorized pursuant to subsection 4 may be accrued beginning on July 1, 2007,
38 and a reinvestment licensee may take such credits against license fees imposed on
39 the gross revenue of the reinvestment licensee received after July 1, 2009.

40 8. The Commission may adopt such regulations as the Commission
41 determines to be necessary to carry out the provisions of this section.

42 Sec. 2. NRS 463.370 is hereby amended to read as follows:

43 463.370 1. Except as otherwise provided in NRS 463.373 ~~()~~ and section 1
44 of this act, the Commission shall charge and collect from each licensee a license
45 fee based upon all the gross revenue of the licensee as follows:

46 (a) Three and one-half percent of all the gross revenue of the licensee which
47 does not exceed \$50,000 per calendar month;

48 (b) Four and one-half percent of all the gross revenue of the licensee which
49 exceeds \$50,000 per calendar month and does not exceed \$134,000 per calendar
50 month; and

51 (c) Six and three-quarters percent of all the gross revenue of the licensee which
52 exceeds \$134,000 per calendar month.

2. Unless the licensee has been operating for less than a full calendar month, the Commission shall charge and collect the fee prescribed in subsection 1, based upon the gross revenue for the preceding calendar month, on or before the 24th day of the following month. Except for the fee based on the first full month of operation, the fee is an estimated payment of the license fee for the third month following the month whose gross revenue is used as its basis.

3. When a licensee has been operating for less than a full calendar month, the Commission shall charge and collect the fee prescribed in subsection 1, based on the gross revenue received during that month, on or before the 24th day of the following calendar month of operation. After the first full calendar month of operation, the Commission shall charge and collect the fee based on the gross revenue received during that month, on or before the 24th day of the following calendar month. The payment of the fee due for the first full calendar month of operation must be accompanied by the payment of a fee equal to three times the fee for the first full calendar month. This additional amount is an estimated payment of the license fees for the next 3 calendar months. Thereafter, each license fee must be paid in the manner described in subsection 2. Any deposit held by the Commission on July 1, 1969, must be treated as an advance estimated payment.

4. All revenue received from any game or gaming device which is operated on the premises of a licensee, regardless of whether any portion of the revenue is shared with any other person, must be attributed to the licensee for the purposes of this section and counted as part of the gross revenue of the licensee. Any other person, including, without limitation, an operator of an inter-casino linked system, who is authorized to receive a share of the revenue from any game, gaming device or inter-casino linked system that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the 24th day of each calendar month. The proportionate share of an operator of an inter-casino linked system must be based on all compensation and other consideration received by the operator of the inter-casino linked system, including, without limitation, amounts that accrue to the meter of the primary progressive jackpot of the inter-casino linked system and amounts that fund the reserves of such a jackpot, subject to all appropriate adjustments for deductions, credits, offsets and exclusions that the licensee is entitled to take or receive pursuant to the provisions of this chapter. A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any game, gaming device or inter-casino linked system that is operated on the premises of the licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.

5. An operator of an inter-casino linked system shall not enter into any agreement or arrangement with a licensee that provides for the operator of the inter-casino linked system to be liable to the licensee for less than its full proportionate share of the license fees paid by the licensee pursuant to this section, whether accomplished through a rebate, refund, charge-back or otherwise.

6. Any person required to pay a fee pursuant to this section shall file with the Commission, on or before the 24th day of each calendar month, a report showing the amount of all gross revenue received during the preceding calendar month. Each report must be accompanied by:

(a) The fee due based on the revenue of the month covered by the report; and

(b) An adjustment for the difference between the estimated fee previously paid for the month covered by the report, if any, and the fee due for the actual gross revenue earned in that month. If the adjustment is less than zero, a credit must be applied to the estimated fee due with that report.

1 7. If the amount of license fees required to be reported and paid pursuant to
2 this section is later determined to be greater or less than the amount actually
3 reported and paid, the Commission shall:

4 (a) Charge and collect the additional license fees determined to be due, with
5 interest thereon until paid; or

6 (b) Refund any overpayment to the person entitled thereto pursuant to this
7 chapter, with interest thereon.

8 ➤ Interest pursuant to paragraph (a) must be computed at the rate prescribed in
9 NRS 17.130 from the first day of the first month following the due date of the
10 additional license fees until paid. Interest pursuant to paragraph (b) must be
11 computed at one-half the rate prescribed in NRS 17.130 from the first day of the
12 first month following the date of overpayment until paid.

13 8. Failure to pay the fees provided for in this section shall be deemed a
14 surrender of the license at the expiration of the period for which the estimated
15 payment of fees has been made, as established in subsection 2.

16 9. Except as otherwise provided in NRS 463.386, the amount of the fee
17 prescribed in subsection 1 must not be prorated.

18 10. Except as otherwise provided in NRS 463.386, if a licensee ceases
19 operation, the Commission shall:


20 (a) Charge and collect the additional license fees determined to be due with
21 interest computed pursuant to paragraph (a) of subsection 7; or

22 (b) Refund any overpayment to the licensee with interest computed pursuant to
23 paragraph (b) of subsection 7,

24 ➤ based upon the gross revenue of the licensee during the last 3 months
25 immediately preceding the cessation of operation, or portions of those last 3
26 months.

27 11. If in any month, the amount of gross revenue is less than zero, the licensee
28 may offset the loss against gross revenue in succeeding months until the loss has
29 been fully offset.

30 12. If in any month, the amount of the license fee due is less than zero, the
31 licensee is entitled to receive a credit against any license fees due in succeeding
32 months until the credit has been fully offset.

33 **Sec. 3.** This act becomes effective on July 1, 2007 , and expires by
34 **limitation on June 30, 2011.**