

SENATE BILL NO. 83—COMMITTEE ON JUDICIARY
(ON BEHALF OF THE STATE GAMING CONTROL BOARD)

PREFILED DECEMBER 15, 2008

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to the regulation of gaming. (BDR 41-311)

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

~

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 concerning the establishment of branch offices of the State Gaming Control Board; revising the provisions relating to the confidentiality of certain information and data provided to the Board and the Nevada Gaming Commission; authorizing the Board and Commission to require the operators of certain call centers to be found suitable or licensed; making changes relating to the registration of gaming employees; making changes concerning disseminators of live broadcasts of racing; making various other changes relating to the regulation of gaming; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill adds a new definition of the term “manufacture,” and **sections 3-5** of this bill revise the definitions of the terms “gaming device,” “gaming employee” and “manufacturer” for the purposes of the statutory provisions governing the licensing and control of gaming. (NRS 463.0155, 463.0157, 463.0172)

Existing law authorizes the State Gaming Control Board to maintain branch offices in space provided by the Buildings and Grounds Division of the Department of Administration. **Section 6** of this bill removes the requirement regarding the Division and instead authorizes the Chairman of the Board to enter into leases or other agreements necessary to establish branch offices of the Board. (NRS 463.100)

Section 7 of this bill revises the provisions relating to the confidentiality of certain information and data provided to the Board and the Nevada Gaming Commission and provides that such information and data is absolutely privileged.



* S B 8 3 *

(NRS 463.120) **Section 8** of this bill deletes certain obsolete language relating to the reporting and keeping of records by casinos concerning transactions involving cash. (NRS 463.125)

Section 9 of this bill authorizes the Board and Commission to require a person who operates a call center within this State as an agent of a licensed race book or sports pool to be found suitable or licensed. (NRS 463.162) **Section 10** of this bill requires any person granted a license or found suitable by the Commission to continue to meet the applicable standards and qualifications originally needed for the license or finding of suitability. (NRS 463.170) **Section 11** of this bill: (1) provides that a registered gaming employee must file a change of employment notice within 10 calendar days with the Board; and (2) authorizes the Board to charge a fee to process a change of employment notice, limited to the actual investigative and administrative costs related to processing the change of employment notice. (NRS 463.335) **Section 12** of this bill changes the time within which an agent of the Board must mail written notice concerning a dispute between a patron and licensee from 30 days to 45 days after the date the Board first receives notification concerning the dispute. (NRS 463.362)

Sections 13-16 and 20 of this bill: (1) revise the process for notification to disseminators of live broadcasts of racing concerning certain proposals to broadcast racing meets; (2) delete references to the Account for the Operation of Hearing Panels; (3) authorize the Board to establish fees to be paid by a disseminator of a live broadcast, instead of a user; and (4) eliminate the requirement that the Commission is required to fix, regulate and control the rates to be charged by any disseminator of information concerning racing held at a track which uses the pari-mutuel system of wagering. (NRS 463.422, 463.423, 463.426, 463.445)

Section 17 of this bill provides that to the extent practicable, the provisions of the Nevada Gaming Control Act that apply to a limited partnership shall be deemed to apply to a registered limited-liability partnership or a foreign registered limited-liability partnership. (NRS 463.563)

Section 18 of this bill requires: (1) a person who is found unsuitable to hold the beneficial ownership of any voting security or beneficial or record ownership of any nonvoting security or debt security of a publicly traded corporation to immediately offer the security to the corporation for purchase; and (2) the corporation to purchase the security for cash at fair market value within the time prescribed by the Commission. (NRS 463.643) **Section 19** of this bill provides that: (1) no interest subject to the Nevada Gaming Control Act may be transferred to any heir or devisee from probate until the heir or devisee applies for and obtains all approvals necessary to hold or own such an interest from the Commission; and (2) if the heir or devisee fails to obtain all such necessary approvals, the entity in which the interest exists must purchase the interest for cash at fair market value based upon two appraisals.

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. “Manufacture” means:

(a) Unless the circumstances described in paragraph (b) apply, to manufacture, produce, program, design, control the design of, maintain a copyright over or make modifications to a gaming



1 *device, cashless wagering system, mobile gaming system or*
2 *interactive gaming system;*

3 *(b) To assume responsibility for manufacturing, producing,*
4 *programming, designing, controlling the design of, maintaining a*
5 *copyright over or making modifications to a gaming device,*
6 *cashless wagering system, mobile gaming system or interactive*
7 *gaming system; or*

8 *(c) To assemble, or control the assembly of, a gaming device,*
9 *cashless wagering system, mobile gaming system or interactive*
10 *gaming system.*

11 *2. As used in this section, “assume responsibility” means to*
12 *acquire complete control over, or ownership of, the applicable*
13 *gaming device, cashless wagering system, mobile gaming system*
14 *or interactive gaming system.*

15 **Sec. 2.** NRS 463.013 is hereby amended to read as follows:

16 463.013 As used in this chapter, unless the context otherwise
17 requires, the words and terms defined in NRS 463.0133 to
18 463.01967, inclusive, *and section 1 of this act* have the meanings
19 ascribed to them in those sections.

20 **Sec. 3.** NRS 463.0155 is hereby amended to read as follows:

21 463.0155 “Gaming device” means ~~{any equipment or~~
22 ~~mechanical, electromechanical or electronic contrivance, component~~
23 ~~or machine}~~ *anything* used remotely or directly in connection with
24 gaming or any game which affects the result of a wager by
25 determining win or loss ~~{ }~~ *and which does not otherwise constitute*
26 *associated equipment.* The term includes ~~{ }~~, *without limitation:*

27 1. A slot machine.

28 2. A collection of two or more of the following components:

29 (a) An assembled electronic circuit which cannot be reasonably
30 demonstrated to have any use other than in a slot machine;

31 (b) A cabinet with electrical wiring and provisions for mounting
32 a coin, token or currency acceptor and provisions for mounting a
33 dispenser of coins, tokens or anything of value;

34 (c) A storage medium containing ~~{the source language or~~
35 ~~executable code of a computer program that cannot be reasonably~~
36 ~~demonstrated to have any use other than in a slot machine;~~

37 ~~—(d) An assembled video display unit;~~

38 ~~—(e) a control program;~~

39 (d) An assembled mechanical or electromechanical display unit
40 intended for use in gambling; or

41 ~~{(f)}~~ (e) An assembled mechanical or electromechanical unit
42 which cannot be demonstrated to have any use other than in a slot
43 machine.



3. ~~[Any mechanical, electrical or other device]~~ **Anything** which may be connected to or used with a slot machine to alter the normal criteria of random selection or affect the outcome of a game.

4. A system for the accounting or management of any game in which the result of the wager is determined electronically by using any combination of hardware or software for computers.

5. **A control program.**

6. Any combination of one of the components set forth in paragraphs (a) to ~~[(f)]~~ (e), inclusive, of subsection 2 and any other component which the Commission determines by regulation to be a machine used directly or remotely in connection with gaming or any game which affects the results of a wager by determining a win or loss.

7. ***Any item that has been determined to be a gaming device pursuant to regulations adopted by the Commission.***

As used in this section, "control program" means any software, source language or executable code which affects the result of a wager by determining win or loss or which has been determined to be a control program pursuant to regulations adopted by the Commission.

Sec. 4. 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 ~~[(f)]~~ ***and employees of an affiliate of such a person involved in assisting the person in carrying out the duties of the person in this State;***

(i) Employees whose duties are directly involved with the manufacture, repair, ***sale*** or distribution of gaming devices, cashless wagering systems, mobile gaming systems, equipment associated



1 with mobile gaming systems, interactive gaming systems or
2 equipment associated with interactive gaming;

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

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

9 (l) *Employees of operators of call centers who perform, or who*
10 *supervise the performance of, the function of receiving and*
11 *transmitting wagering instructions;*

12 (m) Employees ~~[whose responsibilities include performing the~~
13 ~~duties relating to the process of registration]~~ *who have access to the*
14 *Board's system of records for the purpose of processing the*
15 *registrations* of gaming employees that a licensee is required to
16 perform pursuant to the provisions of this chapter and any
17 regulations adopted pursuant thereto;

18 ~~[(m)]~~ (n) Floormen;

19 ~~[(n)]~~ (o) Hosts or other persons empowered to extend credit or
20 complimentary services;

21 ~~[(o)]~~ (p) Keno runners;

22 ~~[(p)]~~ (q) Keno writers;

23 ~~[(q)]~~ (r) Machine mechanics;

24 ~~[(r)]~~ (s) Odds makers and line setters;

25 ~~[(s)]~~ (t) Security personnel;

26 ~~[(t)]~~ (u) Shift or pit bosses;

27 ~~[(u)]~~ (v) Shifts;

28 ~~[(v)]~~ (w) Supervisors or managers;

29 ~~[(w)]~~ (x) Ticket writers; ~~and~~

30 ~~—(x)]~~ (y) Employees of a person required by NRS 463.160 to be
31 licensed to operate an information service ~~[(y)]~~; *and*

32 (z) *Temporary or contract employees hired by a licensee to*
33 *perform a function related to gaming.*

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

37 **Sec. 5.** NRS 463.0172 is hereby amended to read as follows:

38 463.0172 "Manufacturer" means a person who ~~[(1)]~~

39 ~~—1. Manufactures, assembles, programs or makes modifications~~
40 ~~to a gaming device, cashless wagering system, mobile gaming~~
41 ~~system or interactive gaming system; or~~

42 ~~—2. Designs, assumes responsibility for the design of, controls~~
43 ~~the design or assembly of, or maintains a copyright over the design~~
44 ~~of, a mechanism, electronic circuit or computer program which~~
45 ~~cannot be reasonably demonstrated to have any application other~~



~~than in a gaming device, cashless wagering system, mobile gaming system or interactive gaming system for use or play in this State or for distribution outside of this State.]~~ *operates, carries on, conducts or maintains any form of manufacture.*

Sec. 6. NRS 463.100 is hereby amended to read as follows:

463.100 1. The Board shall keep its main office at Carson City, Nevada, in conjunction with the Commission in rooms provided by the Buildings and Grounds Division of the Department of Administration.

2. The Board may, in its discretion, maintain a branch office in Las Vegas, Nevada, or at any other place in this ~~[state, in space to be provided by the Buildings and Grounds Division.]~~ *State as the Chairman of the Board deems necessary for the efficient operation of the Board. The Chairman of the Board may enter into such leases or other agreements as may be necessary to establish a branch office.*

Sec. 7. NRS 463.120 is hereby amended to read as follows:

463.120 1. The Board and the Commission shall cause to be made and kept a record of all proceedings at regular and special meetings of the Board and the Commission. These records are open to public inspection.

2. The Board shall maintain a file of all applications for licenses under this chapter and chapter 466 of NRS, together with a record of all action taken with respect to those applications. The file and record are open to public inspection.

3. The Board and the Commission may maintain such other files and records as they may deem desirable.

4. Except as otherwise provided in this subsection and subsection 5, all information and data:

(a) Required by the Board or Commission to be furnished to it under this chapter or which may be otherwise obtained relative to the finances, earnings or revenue of any applicant or licensee;

(b) Pertaining to ~~[an applicant's]~~ *a natural person's* criminal record, antecedents and background which have been furnished to or obtained by the Board or Commission from any source;

(c) Provided to the members, agents or employees of the Board or Commission by a governmental agency or an informer or on the assurance that the information will be held in confidence and treated as confidential;

(d) Obtained by the Board from a manufacturer, distributor or operator, or from an operator of an inter-casino linked system, relating to the manufacturing of gaming devices or the operation of an inter-casino linked system; or

(e) Prepared , ~~[or]~~ obtained by *or provided to the Board or Commission* or an agent or employee of the Board or Commission



~~[relating to an application for a license, a finding of suitability or any approval that is required]~~ in furtherance or performance of his duties pursuant to the provisions of this chapter, chapter 462, 464, 465 or 466 of NRS or any regulations adopted pursuant thereto, are confidential and absolutely privileged and may be revealed in whole or in part only in the course of the necessary administration of this chapter or upon the lawful order of a court of competent jurisdiction. The Board and Commission may waive their privilege to such information and data and reveal such information and data to an authorized agent of any agency of the United States Government, any state or any political subdivision of a state or the government of any foreign country. Notwithstanding any other provision of state law, such information and data may not be otherwise revealed without specific authorization and waiver of the privilege by the Board or Commission.

5. Before the beginning of each legislative session, the Board shall submit to the Legislative Commission for its review and for the use of the Legislature a report on the gross revenue, net revenue and average depreciation of all licensees, categorized by class of licensee and geographical area and the assessed valuation of the property of all licensees, by category, as listed on the assessment rolls.

6. Notice of the content of any information or data furnished or released pursuant to subsection 4 may be given to any applicant or licensee in a manner prescribed by regulations adopted by the Commission.

7. The files, records and reports of the Board are open at all times to inspection by the Commission and its authorized agents.

8. All files, records, reports and other information pertaining to gaming matters in the possession of the Nevada Tax Commission must be made available to the Board and the Nevada Gaming Commission as is necessary to the administration of this chapter.

9. The Nevada Gaming Commission, by the affirmative vote of a majority of its members, may remove from its records the name of a debtor and the amount of tax, penalty and interest, or any of them, owed by him, if after 5 years it remains impossible or impracticable to collect such amounts. The Commission shall establish a master file containing the information removed from its official records by this section.

Sec. 8. NRS 463.125 is hereby amended to read as follows:

463.125 1. The Commission may ~~[, for the purpose of obtaining an exemption from the requirements of the Department of Treasury on reporting and keeping of records by casinos,]~~ require nonrestricted licensees with an annual gross revenue of \$1,000,000



1 or more to report and keep records of all transactions involving
2 cash.

3 2. A gaming licensee, or a director, officer, employee, affiliate
4 or agent of the gaming licensee, who makes a disclosure to the
5 Commission, the Board or any other law enforcement agency of a
6 possible violation or circumvention of law or regulation regarding a
7 transaction involving cash has absolute immunity from civil liability
8 for that disclosure or for the failure to notify a person involved in
9 the transaction or any other person of that disclosure.

10 3. The absolute privilege set forth in NRS 463.3407 also
11 applies to the copy of a report of a suspicious transaction filed
12 with the Board as required by regulations adopted pursuant to
13 subsection 1.

14 **Sec. 9.** NRS 463.162 is hereby amended to read as follows:

15 463.162 1. Except as otherwise provided in subsections 2 and
16 3, it is unlawful for any person to:

17 (a) Lend, let, lease or otherwise deliver or furnish any
18 equipment of any gambling game, including any slot machine, for
19 any interest, percentage or share of the money or property played,
20 under guise of any agreement whatever, without having first
21 procured a state gaming license.

22 (b) Lend, let, lease or otherwise deliver or furnish, except by a
23 bona fide sale or capital lease, any slot machine under guise of any
24 agreement whereby any consideration is paid or is payable for the
25 right to possess or use that slot machine, whether the consideration
26 is measured by a percentage of the revenue derived from the
27 machine or by a fixed fee or otherwise, without having first
28 procured a state gaming license for the slot machine.

29 (c) Furnish services or property, real or personal, on the basis of
30 a contract, lease or license, pursuant to which that person receives
31 payments based on earnings or profits from any gambling game,
32 including any slot machine, without having first procured a state
33 gaming license.

34 2. The provisions of subsection 1 do not apply to any person:

35 (a) Whose payments are a fixed sum determined in advance on a
36 bona fide basis for the furnishing of services or property other than a
37 slot machine.

38 (b) Who furnishes services or property under a bona fide rental
39 agreement or security agreement for gaming equipment.

40 (c) That is a wholly owned subsidiary of:

41 (1) A corporation, limited partnership or limited-liability
42 company holding a state gaming license; or

43 (2) A holding company or intermediary company, or publicly
44 traded corporation, that has registered pursuant to NRS 463.585 or
45 463.635 and which has fully complied with the laws applicable to it.



* S B 8 3 *

(d) Who is licensed as a distributor and who rents or leases any equipment of any gambling game , including any slot machine, under a bona fide agreement where the payments are a fixed sum determined in advance and not determined as a percentage of the revenue derived from the equipment or slot machine.

(e) Who is found suitable by the Commission to act as an independent agent.

➤ Receipts or rentals or charges for real property, personal property or services do not lose their character as payments of a fixed sum or as bona fide because of provisions in a contract, lease or license for adjustments in charges, rentals or fees on account of changes in taxes or assessments, escalations in the cost-of-living index, expansions or improvement of facilities, or changes in services supplied. Receipts of rentals or charges based on percentage between a corporate licensee or a licensee who is a limited partnership or limited-liability company and the entities enumerated in paragraph (c) are permitted under this subsection.

3. The Commission may, upon the issuance of its approval or a finding of suitability, exempt a holding company from the licensing requirements of subsection 1.

4. The Board may require any person exempted by the provisions of subsection 2 or paragraph (b) of subsection 1 to provide such information as it may require to perform its investigative duties.

5. The Board and the Commission may require a finding of suitability or the licensing of any person who:

(a) Owns any interest in the premises of a licensed establishment or owns any interest in real property used by a licensed establishment whether he leases the property directly to the licensee or through an intermediary.

(b) Repairs, rebuilds or modifies any gaming device.

(c) Manufactures or distributes chips or gaming tokens for use in this State.

(d) Operates a call center within this State as an agent of a licensed race book or sports pool in this State in accordance with the regulations adopted by the Commission.

6. If the Commission finds a person described in subsection 5 unsuitable, a licensee shall not enter into any contract or agreement with that person without the prior approval of the Commission. Any other agreement between the licensee and that person must be terminated upon receipt of notice of the action by the Commission. Any agreement between a licensee and a person described in subsection 5 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 person is unsuitable. Failure



1 expressly to include that condition in the agreement is not a defense
2 in any action brought pursuant to this section to terminate the
3 agreement. If the application is not presented to the Board within 30
4 days after demand, the Commission may pursue any remedy or
5 combination of remedies provided in this chapter.

6 **Sec. 10.** NRS 463.170 is hereby amended to read as follows:

7 463.170 1. Any person who the Commission determines is
8 qualified to receive a license, to be found suitable or to receive any
9 approval required under the provisions of this chapter, or to be
10 found suitable regarding the operation of a charitable lottery under
11 the provisions of chapter 462 of NRS, having due consideration for
12 the proper protection of the health, safety, morals, good order and
13 general welfare of the inhabitants of the State of Nevada and the
14 declared policy of this State, may be issued a state gaming license,
15 be found suitable or receive any approval required by this chapter,
16 as appropriate. The burden of proving his qualification to receive
17 any license, be found suitable or receive any approval required by
18 this chapter is on the applicant.

19 2. An application to receive a license or be found suitable must
20 not be granted unless the Commission is satisfied that the applicant
21 is:

22 (a) A person of good character, honesty and integrity;

23 (b) A person whose prior activities, criminal record, if any,
24 reputation, habits and associations do not pose a threat to the public
25 interest of this State or to the effective regulation and control of
26 gaming or charitable lotteries, or create or enhance the dangers of
27 unsuitable, unfair or illegal practices, methods and activities in the
28 conduct of gaming or charitable lotteries or in the carrying on of the
29 business and financial arrangements incidental thereto; and

30 (c) In all other respects qualified to be licensed or found suitable
31 consistently with the declared policy of the State.

32 3. A license to operate a gaming establishment or an inter-
33 casino linked system must not be granted unless the applicant has
34 satisfied the Commission that:

35 (a) The applicant has adequate business probity, competence and
36 experience, in gaming or generally; and

37 (b) The proposed financing of the entire operation is:

38 (1) Adequate for the nature of the proposed operation; and

39 (2) From a suitable source.

40 ➔ Any lender or other source of money or credit which the
41 Commission finds does not meet the standards set forth in
42 subsection 2 may be deemed unsuitable.

43 4. An application to receive a license or be found suitable
44 constitutes a request for a determination of the applicant's general
45 character, integrity, and ability to participate or engage in, or be



1 associated with gaming or the operation of a charitable lottery, as
2 appropriate. Any written or oral statement made in the course of an
3 official proceeding of the Board or Commission by any member
4 thereof or any witness testifying under oath which is relevant to the
5 purpose of the proceeding is absolutely privileged and does not
6 impose liability for defamation or constitute a ground for recovery
7 in any civil action.

8 5. The Commission may in its discretion grant a license to:

9 (a) A publicly traded corporation which has complied with the
10 provisions of NRS 463.625 to 463.643, inclusive;

11 (b) Any other corporation which has complied with the
12 provisions of NRS 463.490 to 463.530, inclusive;

13 (c) A limited partnership which has complied with the
14 provisions of NRS 463.564 to 463.571, inclusive; and

15 (d) A limited-liability company which has complied with the
16 provisions of NRS 463.5731 to 463.5737, inclusive.

17 6. No limited partnership, except one whose sole limited
18 partner is a publicly traded corporation which has registered with
19 the Commission, or a limited-liability company, or business trust or
20 organization or other association of a quasi-corporate character is
21 eligible to receive or hold any license under this chapter unless all
22 persons having any direct or indirect interest therein of any nature
23 whatever, whether financial, administrative, policymaking or
24 supervisory, are individually qualified to be licensed under the
25 provisions of this chapter.

26 7. The Commission may, by regulation:

27 (a) Limit the number of persons who may be financially
28 interested and the nature of their interest in any corporation, other
29 than a publicly traded corporation, limited partnership, limited-
30 liability company or other organization or association licensed under
31 this chapter; and

32 (b) Establish such other qualifications for licenses as it may, in
33 its discretion, deem to be in the public interest and consistent with
34 the declared policy of the State.

35 *8. Any person granted a license or found suitable by the*
36 *Commission shall continue to meet the applicable standards and*
37 *qualifications set forth in this section and any other qualifications*
38 *established by the Commission by regulation. The failure to*
39 *continue to meet such standards and qualifications constitutes*
40 *grounds for disciplinary action.*

41 **Sec. 11.** NRS 463.335 is hereby amended to read as follows:

42 463.335 1. The Legislature finds that, to protect and promote
43 the health, safety, morals, good order and general welfare of the
44 inhabitants of the State of Nevada and to carry out the policy
45 declared in NRS 463.0129, it is necessary that the Board:



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

4 (b) Maintain confidential records of such information.

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

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

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

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

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

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

41 ➤ The investigation need not be limited solely to consideration of
42 the results of the report concerning the criminal history of the
43 applicant. The fee for processing an application for registration or
44 renewal of registration as a gaming employee may be charged only
45 to cover the actual investigative and administrative costs related to



1 processing the application and the fees charged by the Central
2 Repository for Nevada Records of Criminal History and the Federal
3 Bureau of Investigation to process the fingerprints of an applicant
4 pursuant to this subsection.

5 6. Upon receipt of a change of employment notice, the Board
6 may conduct any investigations of the gaming employee that the
7 Board deems appropriate to determine whether the gaming
8 employee may remain registered as a gaming employee. *The fee*
9 *charged by the Board to process a change of employment notice*
10 *may cover only the actual investigative and administrative costs*
11 *related to processing the change of employment notice.* The filing
12 of a change of employment notice constitutes an application for
13 registration as a gaming employee, and if the Board, after
14 conducting its investigation, suspends or objects to the continued
15 registration of the gaming employee, the provisions of subsections
16 10 to 16, inclusive, apply to such suspension by or objection of the
17 Board. ~~[No fee may be charged by the Board to cover the actual~~
18 ~~investigative and administrative costs related to processing a change~~
19 ~~of employment notice.]~~

20 7. Except as otherwise prescribed by regulation of the
21 Commission, an applicant for registration or renewal of registration
22 as a gaming employee is deemed temporarily registered as a gaming
23 employee as of the date a complete application for registration or
24 renewal of registration is submitted to the licensee for which he will
25 commence or continue working as a gaming employee. Unless
26 objected to by the Board or suspended or revoked, the initial
27 registration of an applicant as a gaming employee expires 5 years
28 after the date employment commences with the applicable licensee.
29 Any subsequent renewal of registration as a gaming employee,
30 unless objected to by the Board or suspended or revoked, expires 5
31 years after the expiration date of the most recent registration or
32 renewal of registration of the gaming employee.

33 8. If, within 120 days after receipt by the Board of a complete
34 application for registration or renewal of registration as a gaming
35 employee, including classifiable fingerprints, or a change of
36 employment notice, the Board has not notified the applicable
37 licensee of any suspension or objection, the applicant shall be
38 deemed to be registered as a gaming employee. A complete
39 application for registration or renewal of registration as a gaming
40 employee is composed of:

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

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



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

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

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

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

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

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

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

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

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

10. If the Board, within the 120-day period prescribed in subsection 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.

11. Any person whose application for registration or renewal of registration as a gaming employee has been suspended or objected



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

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

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

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

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

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

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

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

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

44 ➡ If the Board registers or does not suspend or object to the
45 registration of an applicant as a gaming employee, it may specially



1 limit the period for which the registration is valid, limit the job
2 classifications for which the registered gaming employee may be
3 employed and establish such individual conditions for the renewal
4 and effectiveness of the registration as the Board deems appropriate,
5 including required submission to unscheduled tests for the presence
6 of alcohol or controlled substances. If a gaming employee fails to
7 comply with any limitation or condition placed on the effectiveness
8 of his registration as a gaming employee, notwithstanding any other
9 provision of this section, the Board may object to his registration. If
10 the Board objects to his registration, the provisions regarding the
11 continued effectiveness of the registration and the review of the
12 objection set forth in subsections 10 to 16, inclusive, apply,
13 including, without limitation, the requirement to notify the
14 applicable licensee about the objection.

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

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

27 (a) Conducting a hearing and taking testimony;

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

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

34 (d) Notifying the applicant of the decision.

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

44 16. Except as otherwise provided in this subsection, all records
45 acquired or compiled by the Board or Commission relating to any



1 application made pursuant to this section, all lists of persons
2 registered as gaming employees, all lists of persons suspended or
3 objected to by the Board and all records of the names or identity of
4 persons engaged in the gaming industry in this State are confidential
5 and must not be disclosed except in the proper administration of this
6 chapter or to an authorized law enforcement agency. Upon receipt of
7 a request from the Division of Welfare and Supportive Services of
8 the Department of Health and Human Services pursuant to NRS
9 425.400 for information relating to a specific person who has
10 applied for registration as a gaming employee or is registered as a
11 gaming employee, the Board shall disclose to the Division his social
12 security number, residential address and current employer as that
13 information is listed in the files and records of the Board. Any
14 record of the Board or Commission which shows that the applicant
15 has been convicted of a crime in another state must show whether
16 the crime was a misdemeanor, gross misdemeanor, felony or other
17 class of crime as classified by the state in which the crime was
18 committed. In a disclosure of the conviction, reference to the
19 classification of the crime must be based on the classification in the
20 state where it was committed.

21 17. If the Central Repository for Nevada Records of Criminal
22 History, in accordance with the provisions of NRS 179D.570,
23 provides the Board with the name and other identifying information
24 of a registered gaming employee who is not in compliance with the
25 provisions of chapter 179D of NRS, the Board shall notify the
26 person that, unless he provides the Board with verifiable
27 documentation confirming that he is currently in compliance with
28 the provisions of chapter 179D of NRS within 15 days after receipt
29 of such notice, the Board shall, notwithstanding any other
30 provisions of this section, conduct a hearing for the purpose of
31 determining whether the registration of the person as a gaming
32 employee must be suspended for noncompliance with the provisions
33 of chapter 179D of NRS.

34 18. Notwithstanding any other provisions of this section, if a
35 person notified by the Board pursuant to subsection 17 does not
36 provide the Board, within the 15 days prescribed therein, with
37 verifiable documentation establishing that he is currently in
38 compliance with the provisions of chapter 179D of NRS, the
39 Chairman of the Board shall, within 10 days thereof, appoint a
40 hearing examiner to conduct a hearing to determine whether the
41 person is, in fact, not in compliance with the provisions of chapter
42 179D of NRS. The hearing examiner shall, within 5 days after the
43 date he is appointed by the Chairman, notify the person of the date
44 of the hearing. The hearing must be held within 20 days after the
45 date on which the hearing examiner is appointed by the Chairman,



* S B 8 3 *

1 unless administratively extended by the Chairman for good cause.
2 At the hearing, the hearing examiner may take any testimony
3 deemed necessary and shall render a decision sustaining or reversing
4 the findings of the Central Repository for Nevada Records of
5 Criminal History. The hearing examiner shall notify the person of
6 his decision within 5 days after the date on which the decision is
7 rendered. A failure of a person to appear at a hearing conducted
8 pursuant to this section shall be deemed to be an admission that the
9 findings of the hearing examiner are well-founded.

10 19. If, after conducting the hearing prescribed in subsection 18,
11 the hearing examiner renders a decision that the person who is the
12 subject of the hearing:

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

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

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

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

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

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

42 21. The Board shall remove a suspension entered in accordance
43 with subsection 19 and reinstate the registration of a person as a
44 gaming employee upon receipt of verifiable documentation



* S B 8 3 *

1 confirming that the person is currently in compliance with the
2 provisions of chapter 179D of NRS.

3 **Sec. 12.** NRS 463.362 is hereby amended to read as follows:

4 463.362 1. Whenever a patron and a licensee, or any person
5 acting on behalf of or in conjunction with a licensee, have any
6 dispute which cannot be resolved to the satisfaction of the patron
7 and which involves:

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

12 (b) The manner in which a game, tournament, contest, drawing,
13 promotion or similar activity or event is conducted,
14 ➔ the licensee is responsible for notifying the Board or patron in
15 accordance with the provisions of subsection 2, regardless of
16 whether the licensee is directly or indirectly involved in the dispute.

17 2. Whenever a dispute described in subsection 1 involves:

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

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

22 3. Upon being notified of a dispute, the Board, through an
23 agent, shall conduct whatever investigation it deems necessary and
24 shall determine whether payment should be made. The agent of the
25 Board shall mail written notice to the Board, the licensee and the
26 patron of his decision resolving the dispute within ~~30~~ 45 days after
27 the date the Board first receives notification from the licensee or a
28 request to conduct an investigation from the patron. The failure of
29 the agent to mail notice of his decision within the time required by
30 this subsection does not divest the Board of its exclusive jurisdiction
31 over the dispute.

32 4. Failure of the licensee to notify the Board or patron as
33 provided in subsection 2 is grounds for disciplinary action pursuant
34 to NRS 463.310 to 463.3145, inclusive.

35 5. The decision of the agent of the Board is effective on the
36 date the aggrieved party receives notice of the decision. Notice of
37 the decision shall be deemed sufficient if it is mailed to the last
38 known address of the licensee and patron. The date of mailing may
39 be proven by a certificate signed by an officer or employee of the
40 Board which specifies the time the notice was mailed. The notice
41 shall be deemed to have been received by the licensee or the patron
42 5 days after it is deposited with the United States Postal Service
43 with the postage thereon prepaid.



1 **Sec. 13.** NRS 463.422 is hereby amended to read as follows:

2 463.422 1. A disseminator who wishes to submit a proposal
3 for the exclusive right to disseminate a live broadcast for a racing
4 meet to users must give written notice to the Board ~~[not earlier than~~
5 ~~180 days nor later than 100 days before the racing meet begins. The~~
6 ~~Board may provide for a shorter period of notice.~~

7 ~~2. Within 20 days after it]~~ *in accordance with the*
8 *requirements established in the regulations adopted by the*
9 *Commission.*

10 2. *After the Board* receives such a notice, the Board shall ~~[give~~
11 ~~written notice to]~~ *notify* the disseminator indicating when a written
12 proposal must be submitted. If the Board reviews the submitted
13 proposals and determines that a hearing is necessary, the Board shall
14 ~~[give written notice to]~~ *notify* each disseminator and user indicating
15 that the Board intends to conduct a hearing to determine which
16 disseminator will receive the exclusive right to disseminate a live
17 broadcast for a racing meet to users.

18 3. If the Board reviews the submitted proposals and determines
19 that the selection of a disseminator may be made without a hearing,
20 it shall ~~[give written notice of its determination and selection to]~~
21 *notify* each disseminator and ~~[shall post such a notice in a~~
22 ~~conspicuous place in each of its offices in Las Vegas and Carson~~
23 ~~City for inspection by members of]~~ the public ~~[.]~~ *of its*
24 *determination.*

25 4. All ~~[notices given]~~ *notifications provided* by the Board
26 pursuant to this section must ~~[contain]~~ :

27 (a) *Contain* all information ; and

28 (b) *Conform with all requirements relating to the manner,*
29 *timing and form for such notifications,*

30 ↪ *that* the Commission, with the advice and assistance of the
31 Board, may prescribe by regulation.

32 **Sec. 14.** NRS 463.423 is hereby amended to read as follows:

33 463.423 1. Whenever the Board decides to conduct a hearing
34 to determine which disseminator will receive the exclusive right to
35 disseminate a live broadcast for a racing meet to users, the Board
36 shall appoint a hearing panel, consisting of three members, to
37 conduct the hearing. The Commission, with the advice and
38 assistance of the Board, shall prescribe by regulation the
39 qualifications of those members.

40 2. The members of the panel are entitled to receive the
41 necessary expenses incurred in carrying out their duties as
42 prescribed by the Board. ~~[The expenses must be paid from the~~
43 ~~account for the operation of hearing panels.]~~



3. The Board may enter into agreements necessary to provide for the services of the members of the hearing panels appointed pursuant to this section.

4. The Board shall provide from its staff such additional personnel as it deems necessary to carry out the provisions of this section.

Sec. 15. NRS 463.426 is hereby amended to read as follows:

463.426 The Board may:

1. Authorize a disseminator to enter into an agreement with a track to disseminate to users a live broadcast which is received from the track.

2. Establish fees to be paid by a ~~{user}~~ *disseminator* of a live broadcast in an amount which is equal to the cost of carrying out the provisions of NRS 463.421 to 463.427, inclusive.

~~{3. The Board shall deposit the fees with the State Treasurer for credit to the Account for the Operation of Hearing Panels. Any interest earned on money in the Account must be credited to that Account.}~~

Sec. 16. NRS 463.445 is hereby amended to read as follows:

463.445 1. Except as otherwise provided in subsection 3, the Commission ~~{shall}~~ *may* fix, regulate and control the rates to be charged by any disseminator of information concerning racing held at a track which uses the pari-mutuel system of wagering, but the rates must be just and reasonable.

2. The Commission may require any licensee who subscribes to a disseminator's service to report financial information relating to wagering and amounts won on each track or event, and may publish this information to ensure that the rates are just and reasonable.

3. The provisions of subsection 1 do not apply to the rates to be charged for the dissemination of live broadcasts.

Sec. 17. NRS 463.563 is hereby amended to read as follows:

463.563 1. The policy of the State of Nevada with respect to the issuance of state gaming licenses to limited partnerships is:

(a) To broaden the opportunity for investment in gaming through the pooling of capital in limited partnership form.

(b) To maintain effective control over the conduct of gaming by limited partnership licensees.

(c) To restrain any speculative promotion of limited partnership interests in gaming enterprises.

2. *To the extent practicable, the provisions of this chapter that apply to a limited partnership shall be deemed to apply to a registered limited-liability partnership as defined in NRS 87.020 or 87.4311 or a foreign registered limited-liability partnership.*

3. The Commission may waive, either selectively or by general regulation, one or more of the requirements of NRS 463.564 to



1 463.572, inclusive, if it makes a written finding that a waiver is
2 consistent with the state policy set forth in NRS 463.0129 and this
3 section.

4 **Sec. 18.** NRS 463.643 is hereby amended to read as follows:

5 463.643 1. Each person who acquires, directly or indirectly:

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

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

8 ➔ in a publicly traded corporation which is registered with the
9 Commission may be required to be found suitable if the
10 Commission has reason to believe that his acquisition of that
11 ownership would otherwise be inconsistent with the declared policy
12 of this State.

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

19 3. Each person who, individually or in association with others,
20 acquires, directly or indirectly, beneficial ownership of more than 5
21 percent of any class of voting securities of a publicly traded
22 corporation registered with the Nevada Gaming Commission, and
23 who is required to report, or voluntarily reports, the acquisition to
24 the Securities and Exchange Commission pursuant to section
25 13(d)(1), 13(g) or 16(a) of the Securities Exchange Act of 1934, as
26 amended, 15 U.S.C. §§ 78m(d)(1), 78m(g) and 78p(a), respectively,
27 shall file a copy of that report, and any amendments thereto, with
28 the Nevada Gaming Commission within 10 days after filing that
29 report with the Securities and Exchange Commission.

30 4. Each person who, individually or in association with others,
31 acquires, directly or indirectly, the beneficial ownership of more
32 than 10 percent of any class of voting securities of a publicly traded
33 corporation registered with the Commission, or who is required to
34 report, or voluntarily reports, such acquisition pursuant to section
35 13(d)(1), 13(g) or 16(a) of the Securities Exchange Act of 1934, as
36 amended, 15 U.S.C. §§ 78m(d)(1), 78m(g) and 78p(a), respectively,
37 shall apply to the Commission for a finding of suitability within 30
38 days after the Chairman of the Board mails the written notice.

39 5. A person who acquires, directly or indirectly:

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

41 (b) Beneficial or record ownership of any nonvoting security or
42 debt security,

43 ➔ in a publicly traded corporation created under the laws of a
44 foreign country which is registered with the Commission shall file



1 such reports and is subject to such a finding of suitability as the
2 Commission may prescribe.

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

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

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

13 *↪ Any person who violates the provisions of this subsection is*
14 *guilty of a gross misdemeanor.*

15 7. Any person required by the Commission or this section to be
16 found suitable who is found unsuitable by the Commission shall not
17 hold directly or indirectly the:

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

19 (b) Beneficial or record ownership of any nonvoting security or
20 debt security,

21 *↪ of a publicly traded corporation which is registered with the*
22 *Commission beyond the time prescribed by the Commission.*

23 8. ~~[The violation of subsection 6 or 7 is a gross misdemeanor.]~~
24 *If any person is found unsuitable by the Commission to hold*
25 *directly or indirectly the beneficial ownership of any voting*
26 *security or beneficial or record ownership of any nonvoting*
27 *security or debt security of a publicly traded corporation which is*
28 *registered with the Commission:*

29 (a) *The person who is found unsuitable shall immediately*
30 *offer the security to the publicly traded corporation for purchase.*
31 *A person who is found unsuitable who does not immediately offer*
32 *the security to the publicly traded corporation for purchase is*
33 *guilty of a gross misdemeanor.*

34 (b) *The publicly traded corporation shall, within the time*
35 *prescribed by the Commission pursuant to subsection 7, purchase*
36 *the security for cash at fair market value. A publicly traded*
37 *corporation that does not, within the time prescribed by the*
38 *Commission pursuant to subsection 7, purchase the security for*
39 *cash at fair market value is subject to disciplinary action.*

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



1 **Sec. 19.** Chapter 148 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *1. No interest subject to the jurisdiction of the Nevada*
4 *Gaming Control Act may be transferred to any heir or devisee*
5 *from probate until the heir or devisee has received all approvals*
6 *necessary to hold or own such an interest from the Nevada*
7 *Gaming Commission.*

8 *2. Such an heir or devisee must seek all such necessary*
9 *approvals through the filing of all appropriate applications with*
10 *the State Gaming Control Board within 1 year after the interest*
11 *becomes subject to probate.*

12 *3. If any such heir or devisee fails to file full and complete*
13 *applications for all such necessary approvals within 1 year after*
14 *the interest becomes subject to probate, or if the Commission*
15 *denies any application for such necessary approvals:*

16 *(a) The court shall immediately order that an appraisal of the*
17 *interest must be conducted by two independent appraisers, one of*
18 *whom must have experience appraising gaming assets. The costs*
19 *of both appraisals must be paid by the estate.*

20 *(b) Within 30 days after receipt of both appraisals, the court*
21 *shall offer and the entity in which the interest exists shall*
22 *purchase the interest for cash at fair market value as determined*
23 *by the court based upon the appraisals conducted pursuant to*
24 *paragraph (a). The Commission may deem a failure to purchase*
25 *the interest as offered to be a voluntary surrender of any gaming*
26 *license, registration or approval held by the entity in which the*
27 *interest exists.*

28 **Sec. 20.** Any balance existing in the Account for the Operation
29 of Hearing Panels on June 30, 2009, must be transferred to the
30 Account for Racing and Pari-Mutuel Wagering created pursuant to
31 NRS 466.080 on July 1, 2009.

32 **Sec. 21.** This act becomes effective on July 1, 2009.

