

SENATE BILL NO. 418—COMMITTEE ON JUDICIARY

MARCH 25, 2013

Referred to Committee on Judiciary

SUMMARY—Revises provisions relating to pari-mutuel wagering.
(BDR 41-1106)

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 definition of “pari-mutuel system of wagering” to include wagers with respect to the outcome of a federal election; revising the definition of “off-track pari-mutuel wagering” to include the acceptance of wagers on federal elections; authorizing the Nevada Gaming Commission to adopt certain regulations relating to pari-mutuel wagering on federal elections; requiring the Commission to adopt regulations authorizing the acceptance of wagers on federal elections; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes the Nevada Gaming Commission to issue licenses permitting the conduct of the pari-mutuel system of wagering, including off-track pari-mutuel wagering, and requires such wagering to be conducted only by the licensee at the times determined by the Commission and only within certain locations. (NRS 464.020) Existing law defines a “pari-mutuel system of wagering” as any system whereby wagers with respect to the outcome of a race or sporting event are placed in a wagering pool conducted by a person licensed or otherwise permitted to do so under state law, and in which participants are wagering with each other and not against that person. (NRS 464.005) **Section 1** of this bill revises the definition to include wagers with respect to the outcome of a federal election being placed in such a wagering pool. Existing law also defines “off-track pari-mutuel wagering” as any pari-mutuel system of wagering approved by the Commission for the acceptance of wagers on: (1) horse or dog races which take place outside of this State; or (2) sporting events. (NRS 464.005) **Section 1** revises the definition to include the acceptance of wagers on federal elections.

Section 2 of this bill requires a person to procure and maintain all required federal, state, county and municipal licenses before operating, carrying on, conducting or maintaining in this State any form of wagering under the pari-mutuel



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system on any federal election. **Section 3** of this bill authorizes the Commission to adopt certain regulations relating to pari-mutuel wagering on a federal election. **Section 4** of this bill provides that the total commission deducted from off-track pari-mutuel wagering must be determined by the Commission and may be divided between the persons licensed or approved to participate in the conduct of the federal election or the pari-mutuel system of wagering thereon. **Section 6** of this bill requires the Commission to adopt regulations which authorize the acceptance of wagers on federal elections.

Existing law also provides that a person is guilty of a gross misdemeanor if he or she makes, offers or accepts any bet or wager upon the: (1) result of any election; (2) success or failure of any person or candidate; (3) number of votes to be cast, either in the aggregate or for any particular candidate; or (4) vote to be cast by any person. (NRS 293.830) **Section 5** of this bill specifies that such provisions do not apply to a person who places a pari-mutuel wager on a federal election in accordance with the provisions of law governing pari-mutuel wagering.

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

Section 1. NRS 464.005 is hereby amended to read as follows:
464.005 As used in this chapter, unless the context otherwise requires:

1. ***"Federal election" means any presidential election, general election, primary election or special election held solely or in part for the purpose of selecting, nominating or electing any candidate for the office of President or Vice President of the United States, presidential elector, member of the United States Senate or member of the United States House of Representatives.***

2. "Gross revenue" means the amount of the commission received by a licensee that is deducted from off-track pari-mutuel wagering, plus breakage and the face amount of unpaid winning tickets that remain unpaid for a period specified by the Nevada Gaming Commission.

~~1-1~~ 3. "Off-track pari-mutuel system" means a computerized system, or component of such a system, that is used with regard to a pari-mutuel pool to transmit information such as amounts wagered, odds and payoffs on races.

~~1-1~~ 4. "Off-track pari-mutuel wagering" means any pari-mutuel system of wagering approved by the Nevada Gaming Commission for the acceptance of wagers on:

(a) Horse or dog races which take place outside of this state; ~~1-1~~

(b) Sporting events ~~1-1~~

~~4-1~~ ; or

(c) ***Federal elections.***

5. "Operator of a system" means a person engaged in providing an off-track pari-mutuel system.



~~5.1~~ 6. "Pari-mutuel system of wagering" means any system whereby wagers with respect to the outcome of a race, ~~or~~ sporting event *or federal election* are placed in a wagering pool conducted by a person licensed or otherwise permitted to do so under state law, and in which the participants are wagering with each other and not against that person. The term includes off-track pari-mutuel wagering.

Sec. 2. NRS 464.010 is hereby amended to read as follows:

464.010 1. It is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to operate, carry on, conduct or maintain in this state, any form of wagering under the pari-mutuel system on any racing or sporting event *or federal election* without having first procured and maintained all required federal, state, county and municipal licenses.

2. It is unlawful for any person to function as an operator of a system without having first obtained a state gaming license.

3. Where any other state license is required to conduct a racing or sporting event, that license must first be procured before the pari-mutuel system of wagering may be licensed in connection therewith.

Sec. 3. NRS 464.025 is hereby amended to read as follows:

464.025 1. The Nevada Gaming Commission, upon the recommendation of the State Gaming Control Board, may adopt regulations for:

(a) The conduct by a licensee of off-track pari-mutuel wagering on a race, ~~or~~ sporting event ~~or~~ *or federal election*; and

(b) The approval of the terms and conditions of any agreement between a licensee and an agency of the state in which the race, ~~or~~ sporting event *or federal election* takes place or a person licensed or approved by that state to participate in the conduct of the race, ~~or~~ sporting event *or federal election* or the pari-mutuel system of wagering thereon.

2. A person or governmental agency must not receive any commission or otherwise share in the revenue from the conduct of off-track pari-mutuel wagering in this state without the approval of the Nevada Gaming Commission. The Commission may approve any person or governmental agency after such investigation as the State Gaming Control Board deems proper.

Sec. 4. NRS 464.040 is hereby amended to read as follows:

464.040 1. The total commission deducted from pari-mutuel wagering other than off-track pari-mutuel wagering by any licensee licensed pursuant to the provisions of this chapter must not exceed 18 percent of the gross amount of money handled in each pari-mutuel pool operated by the licensee during the period of the license.



2. The total commission deducted from off-track pari-mutuel wagering must be determined by the Nevada Gaming Commission and may be divided between the persons licensed or approved to participate in the conduct of the race ~~for~~, *sporting event or federal election* or the pari-mutuel system of wagering thereon. Such licensure or approval must be obtained pursuant to this chapter or chapter 463 of NRS and pursuant to regulations which may be adopted by the Nevada Gaming Commission.

3. Except as otherwise provided in NRS 464.045 for off-track pari-mutuel wagering, each licensee shall pay to the Nevada Gaming Commission quarterly on or before the last day of the first month of the following quarter of operation for the use of the State of Nevada a tax at the rate of 3 percent on the total amount of money wagered on any race or sporting event.

4. The licensee may deduct odd cents less than 10 cents per dollar in paying bets.

5. Except as otherwise provided in NRS 464.045 for off-track pari-mutuel wagering, the amount paid to the Nevada Gaming Commission must be, after deducting costs of administration which must not exceed 5 percent of the amount collected, paid over by the Nevada Gaming Commission to the State Treasurer for deposit in the State General Fund.

Sec. 5. NRS 293.830 is hereby amended to read as follows:

293.830 ~~Any~~

1. Except as otherwise provided in subsection 2, any person who makes, offers or accepts any bet or wager upon the result of any election, or upon the success or failure of any person or candidate, or upon the number of votes to be cast, either in the aggregate or for any particular candidate, or upon the vote to be cast by any person, is guilty of a gross misdemeanor.

2. The provisions of this section do not apply to any person who places a pari-mutuel wager on a federal election in accordance with the provisions of chapter 464 of NRS and any regulations adopted pursuant thereto.

Sec. 6. On or before January 1, 2014, the Nevada Gaming Commission shall adopt regulations which authorize the acceptance of wagers on federal elections.

