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FIRST REPRINT

S.B. 72

SENATE BILL NO. 72—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE NEVADA GAMING CONTROL BOARD)

PREFILED NOVEMBER 20, 2018

Referred to Committee on Judiciary

SUMMARY—Makes various changes related to gaming.
(BDR 41-344)

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; authorizing the Nevada Gaming Control Board to temporarily suspend the registration of a registered gaming employee upon his or her arrest by an agent of the Board; requiring the Nevada Gaming Commission to adopt regulations relating to such temporary suspensions of registration; establishing provisions relating to certain approvals sought from the Board; revising certain definitions; revising provisions relating to actions and proceedings of the Board that are exempt from the Open Meeting Law; revising provisions concerning the filing of a change of employment notice by certain registered gaming employees; revising provisions relating to the submission of an application for registration or renewal of registration as a gaming employee or a change of employment notice to the Board; requiring an applicant for registration or renewal of registration as a gaming employee to submit certain fees to the Central Repository for Nevada Records of Criminal History; revising provisions concerning the submission of such an applicant's fingerprints; revising provisions relating to the suspension of or objection to the registration of an applicant as a gaming employee; revising provisions relating to the revocation of registration as a gaming employee; revising provisions relating to associated equipment; revising the legislative findings relating to hosting centers; and providing other matters properly relating thereto.



* S B 7 2 R 1 *

Legislative Counsel's Digest:

Existing law defines certain terms relating to gaming for the purposes of chapter 463 of NRS. (NRS 463.013-463.01967) **Section 8** of this bill revises the definition of the term "cashless wagering system."

Section 3 of this bill authorizes the Nevada Gaming Control Board to temporarily suspend the registration of a registered gaming employee if he or she is arrested by an agent of the Board. **Section 3** also requires the Nevada Gaming Commission, with the advice and assistance of the Board, to adopt regulations establishing the process for issuing such a temporary suspension of registration.

Existing law provides that: (1) an applicant for a gaming license or other affirmative approval from the Nevada Gaming Commission has no right to the license or approval; and (2) such licenses and approvals are revocable privileges under which no vested right is granted or otherwise acquired. (NRS 463.0129) **Section 5** of this bill includes affirmative approvals from the Nevada Gaming Control Board in such provisions.

Existing law provides that the Open Meeting Law does not apply to any action or proceeding of the Board that is related to making a determination as to whether: (1) certain violations have occurred; or (2) to file certain complaints with the Commission. (NRS 463.3105) Such provisions are scheduled to expire by limitation on May 30, 2019. (**Section 5** of chapter 274, Statutes of Nevada 2015, p. 1367) **Section 15** of this bill removes that expiration date, thereby extending indefinitely the exemption from the Open Meeting Law for such actions or proceedings of the Board. **Section 10** of this bill additionally provides that the Open Meeting Law does not apply to any action or proceeding of the Board that is related to: (1) an interpretation of provisions of state law or regulations related to gaming or of the applicability of any federal or state law or regulation to such provisions; or (2) a determination as to whether the Board will issue an industry notice concerning any such interpretation.

Existing law: (1) prohibits a person from being employed as a gaming employee unless he or she is registered as a gaming employee; and (2) requires a registered gaming employee to file a change of employment notice with the Board if he or she becomes employed as a gaming employee at another or additional gaming establishment. (NRS 463.335) **Section 11** of this bill also requires a registered gaming employee to file such a change of employment notice if he or she: (1) is a security guard who is employed in an unarmed position and becomes employed in an armed position; or (2) is not a security guard and becomes employed as a security guard in an unarmed or armed position. **Section 11** additionally revises provisions relating to the submission of an application for registration or renewal of registration as a gaming employee or a change of employment notice to the Board.

Existing law requires the Board to conduct an investigation of each person who files an application for registration or renewal of registration as a gaming employee and submit the applicant's fingerprints to the Central Repository for Nevada Records of Criminal History for reports of the applicant's criminal history from the Central Repository and the Federal Bureau of Investigation. Existing law provides that the fee for processing any such application may be charged only to cover the actual investigative and administrative costs related to processing the application and the fees charged to process the applicant's fingerprints. (NRS 463.335) **Section 11**: (1) provides that the fee for processing any such application may be charged only to cover the costs incurred by the Board; and (2) requires an applicant to submit to the Central Repository the fees charged by the Central Repository and the Federal Bureau of Investigation to process the applicant's fingerprints. **Section 11** also provides that only one set of the applicant's fingerprints must be submitted with the application.



Existing law authorizes the Board to suspend or object to the registration of an applicant as a gaming employee for any cause deemed reasonable by the Board, including if the applicant has committed, attempted or conspired to commit any crime of moral turpitude, embezzlement or larceny. (NRS 463.335) Existing law also authorizes the Commission to revoke the registration of a gaming employee if the Commission finds after a hearing that the gaming employee, after being registered as a gaming employee, committed, attempted or conspired to commit larceny or embezzlement against a gaming licensee or upon the premises of a licensed gaming establishment. (NRS 463.337) **Sections 11 and 12** of this bill, respectively, add theft to such crimes.

Existing law requires that regulations adopted by the Commission relating to associated equipment must require persons who manufacture or distribute associated equipment for use in Nevada to be registered with the Board if such associated equipment has certain characteristics. (NRS 463.665) **Section 13** of this bill revises such characteristics, and **section 7** of this bill revises the definition of "associated equipment" accordingly.

Existing law establishes certain legislative findings relating to hosting centers. (NRS 463.673) **Section 14** of this bill revises such legislative findings to provide that technological advances have evolved which allow associated equipment to be located at a hosting center.

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

Section 1. (Deleted by amendment.)

Sec. 2. (Deleted by amendment.)

Sec. 3. Chapter 463 of NRS is hereby amended by adding thereto a new section to read as follows:

1. If a person who is registered with the Board as a gaming employee is arrested by an agent of the Board, the Board may temporarily suspend the registration of the gaming employee.

2. The Commission, with the advice and assistance of the Board, shall adopt regulations establishing the process for issuing a temporary suspension of the registration of a person as a gaming employee if he or she is arrested by an agent of the Board.

3. As used in this section, "agent of the Board" means a person who possesses the powers of a peace officer pursuant to NRS 289.360.

Sec. 4. (Deleted by amendment.)

Sec. 5. NRS 463.0129 is hereby amended to read as follows:

463.0129 1. The Legislature hereby finds, and declares to be the public policy of this state, that:

(a) The gaming industry is vitally important to the economy of the State and the general welfare of the inhabitants.

(b) The continued growth and success of gaming is dependent upon public confidence and trust that licensed gaming and the manufacture, sale and distribution of gaming devices and associated equipment are conducted honestly and competitively, that



1 establishments which hold restricted and nonrestricted licenses
2 where gaming is conducted and where gambling devices are
3 operated do not unduly impact the quality of life enjoyed by
4 residents of the surrounding neighborhoods, that the rights of the
5 creditors of licensees are protected and that gaming is free from
6 criminal and corruptive elements.

7 (c) Public confidence and trust can only be maintained by strict
8 regulation of all persons, locations, practices, associations and
9 activities related to the operation of licensed gaming establishments,
10 the manufacture, sale or distribution of gaming devices and
11 associated equipment and the operation of inter-casino linked
12 systems.

13 (d) All establishments where gaming is conducted and where
14 gaming devices are operated, and manufacturers, sellers and
15 distributors of certain gaming devices and equipment, and operators
16 of inter-casino linked systems must therefore be licensed, controlled
17 and assisted to protect the public health, safety, morals, good order
18 and general welfare of the inhabitants of the State, to foster the
19 stability and success of gaming and to preserve the competitive
20 economy and policies of free competition of the State of Nevada.

21 (e) To ensure that gaming is conducted honestly, competitively
22 and free of criminal and corruptive elements, all gaming
23 establishments in this state must remain open to the general public
24 and the access of the general public to gaming activities must not be
25 restricted in any manner except as provided by the Legislature.

26 2. No applicant for a license or other affirmative ~~commission~~
27 **Commission or Board** approval has any right to a license or the
28 granting of the approval sought. Any license issued or other
29 ~~commission~~ **Commission or Board** approval granted pursuant to
30 the provisions of this chapter or chapter 464 of NRS is a revocable
31 privilege, and no holder acquires any vested right therein or
32 thereunder.

33 3. This section does not:

34 (a) Abrogate or abridge any common-law right of a gaming
35 establishment to exclude any person from gaming activities or eject
36 any person from the premises of the establishment for any reason; or

37 (b) Prohibit a licensee from establishing minimum wagers for
38 any gambling game or slot machine.

39 **Sec. 6.** (Deleted by amendment.)

40 **Sec. 7.** NRS 463.0136 is hereby amended to read as follows:

41 463.0136 "Associated equipment" means ~~1:~~

42 ~~1. Any~~ **any** equipment or mechanical, electromechanical or
43 electronic contrivance, component or machine used remotely or
44 directly in connection with gaming or mobile gaming, any game,
45 race book or sports pool that would not otherwise be classified as a



gaming device, including dice, playing cards, links which connect to progressive slot machines, equipment which affects the proper reporting of gross revenue, computerized systems of betting at a race book or sports pool, computerized systems for monitoring slot machines and devices for weighing or counting money. ~~}; or~~

~~—2.— A computerized system for recordation of sales for use in an area subject to the tax imposed pursuant to NRS 368A.200.]~~

Sec. 8. NRS 463.014 is hereby amended to read as follows:

463.014 “Cashless wagering system” means a method of wagering and accounting:

1. In which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained by a computer ~~{operated and maintained by a licensee which}~~ *that* maintains a record of each transaction involving the wagering instrument or wagering credits, exclusive of the game or gaming device on which wagers are being made. The term includes computerized systems which facilitate electronic transfers of money directly to or from a game or gaming device; or

2. Used in a race book or sports pool in which the validity and value of a wagering instrument or wagering credits are determined, monitored and retained on a computer that maintains a record of each transaction involving the wagering instrument or wagering credits. ~~{and is operated and maintained by a licensee.}~~

Sec. 9. (Deleted by amendment.)

Sec. 10. NRS 463.3105 is hereby amended to read as follows:

463.3105 The provisions of NRS 241.020 do not apply to any action or proceeding of the Board that is related to:

1. A determination made pursuant to paragraph (a) or (b) of subsection 1 of NRS 463.310 of whether a violation of this chapter or chapter 368A, 462, 464, 465 or 466, or any regulation adopted pursuant thereto, has occurred; ~~{or}~~

2. A determination made pursuant to subsection 2 of NRS 463.310 of whether to file a complaint with the Commission and the content of any such complaint ~~{;}~~;

3. An interpretation of:

(a) Any provision of title 41 of NRS or any regulations promulgated thereunder; or

(b) The applicability of any federal or state law or regulation to any provision of title 41 of NRS or any regulations promulgated thereunder; or

4. A determination as to whether the Board will issue an industry notice concerning any interpretation made pursuant to subsection 3.



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

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

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

(b) Maintain confidential records of such information.

2. A person may not be employed as a gaming employee unless the person is temporarily registered or registered as a gaming employee pursuant to this section. An applicant for registration or renewal of registration as a gaming employee must file an application for registration or renewal of registration with the Board. Whenever a registered gaming employee, whose registration has not expired, has not been objected to by the Board, or has not been suspended or revoked ~~becomes~~:

(a) *Becomes* employed as a gaming employee at another or additional gaming establishment ~~is~~; or

(b) *If the registered gaming employee:*

(1) *Is a security guard and is employed in an unarmed position, becomes employed in an armed position; or*

(2) *Is not a security guard and becomes employed as a security guard in an unarmed or armed position,*

the registered gaming employee must file a change of employment notice within 10 calendar days with the Board. The application for registration and change of employment notice must be filed through the licensee for whom the applicant will commence or continue working as a gaming employee, unless otherwise filed with the Board as prescribed by regulation of the Commission.

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

4. A complete application for registration or renewal of registration as a gaming employee or a change of employment notice received by a licensee must be ~~mailed or delivered~~ *submitted* to the Board ~~within 5 business days after receipt unless the date is administratively extended by the Chair of the Board for good cause.~~ *before the applicant may commence or continue working as a gaming employee.* A licensee is not responsible for the accuracy or completeness of any application for registration or renewal of registration as a gaming employee or any change of employment notice.

5. The Board shall immediately conduct an investigation of each person who files an application for registration or renewal of



1 registration as a gaming employee to determine whether the person
2 is eligible for registration as a gaming employee. In conducting the
3 investigation, ~~two~~ a complete ~~sets~~ set of the applicant's
4 fingerprints must be submitted to the Central Repository for Nevada
5 Records of Criminal History for:

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

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

9 ➤ The investigation need not be limited solely to consideration of
10 the results of the report concerning the criminal history of the
11 applicant. The fee for processing an application for registration or
12 renewal of registration as a gaming employee may be charged only
13 to cover the actual investigative and administrative costs related to
14 processing the application ~~and~~ that are incurred by the Board. An
15 applicant shall submit to the Central Repository for Nevada
16 Records of Criminal History the fees charged by the Central
17 Repository ~~for Nevada Records of Criminal History~~ and the
18 Federal Bureau of Investigation to process the fingerprints of ~~an~~
19 the applicant pursuant to this subsection.

20 6. Upon receipt of a change of employment notice, the Board
21 may conduct any investigations of the gaming employee that the
22 Board deems appropriate to determine whether the gaming
23 employee may remain registered as a gaming employee. The fee
24 charged by the Board to process a change of employment notice
25 may cover only the actual investigative and administrative costs
26 related to processing the change of employment notice. The filing of
27 a change of employment notice constitutes an application for
28 registration as a gaming employee, and if the Board, after
29 conducting its investigation, suspends or objects to the continued
30 registration of the gaming employee, the provisions of subsections
31 10 to 16, inclusive, apply to such suspension by or objection of the
32 Board.

33 7. Except as otherwise prescribed by regulation of the
34 Commission, an applicant for registration or renewal of registration
35 as a gaming employee is deemed temporarily registered as a gaming
36 employee as of the date a complete application for registration or
37 renewal of registration is submitted to the licensee for which the
38 applicant will commence or continue working as a gaming
39 employee. Unless objected to by the Board or suspended or revoked,
40 the initial registration of an applicant as a gaming employee expires
41 5 years after the date employment commences with the applicable
42 licensee. Any subsequent renewal of registration as a gaming
43 employee, unless objected to by the Board or suspended or revoked,
44 expires 5 years after the expiration date of the most recent
45 registration or renewal of registration of the gaming employee.



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

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

(b) ~~Two~~ A complete ~~sets~~ set of the fingerprints of the applicant, unless directly forwarded electronically or by another means to the Central 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 the applicant 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 the applicant 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 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 or her 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.

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, ~~for~~ larceny or theft 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



1 another state or jurisdiction which would be a felony or gross
2 misdemeanor if committed in this State and which relates to the
3 applicant's suitability or qualifications to work as a gaming
4 employee;

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

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

10 (g) Had registration as a gaming employee revoked or
11 committed any act which is a ground for the revocation of
12 registration as a gaming employee or would have been a ground for
13 revoking registration as a gaming employee if the applicant had then
14 been registered as a gaming employee.

15 ➤ If the Board registers or does not suspend or object to the
16 registration of an applicant as a gaming employee, it may specially
17 limit the period for which the registration is valid, limit the job
18 classifications for which the registered gaming employee may be
19 employed and establish such individual conditions for the renewal
20 and effectiveness of the registration as the Board deems appropriate,
21 including required submission to unscheduled tests for the presence
22 of alcohol or controlled substances. If a gaming employee fails to
23 comply with any limitation or condition placed on the effectiveness
24 of the gaming employee's registration as a gaming employee,
25 notwithstanding any other provision of this section, the Board may
26 object to the gaming employee's registration. If the Board objects to
27 the gaming employee's registration, the provisions regarding the
28 continued effectiveness of the registration and the review of the
29 objection set forth in subsections 10 to 16, inclusive, apply,
30 including, without limitation, the requirement to notify the
31 applicable licensee about the objection.

32 13. Any applicant aggrieved by the decision of the Board may,
33 within 15 days after the announcement of the decision, apply in
34 writing to the Commission for review of the decision. Review is
35 limited to the record of the proceedings before the Board. The
36 Commission may sustain, modify or reverse the Board's decision.
37 The decision of the Commission is subject to judicial review
38 pursuant to NRS 463.315 to 463.318, inclusive.

39 14. The Chair of the Board may designate a member of the
40 Board or the Board may appoint a hearing examiner and authorize
41 that person to perform on behalf of the Board any of the following
42 functions required of the Board by this section concerning the
43 registration or renewal of registration of gaming employees:

44 (a) Conducting a hearing and taking testimony;



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

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

(d) Notifying the applicant of the decision.

15. Notice by the Board as provided pursuant to subsections 1 to 14, inclusive, is sufficient if it is mailed to the applicant's last known address as indicated on the application for registration as a gaming employee or the record of the hearing, as the case may be. 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 applicant 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

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

17. If the Central Repository for Nevada Records of Criminal History, in accordance with the provisions of NRS 179D.570, provides the Board with the name and other identifying information of a registered gaming employee who is not in compliance with the provisions of chapter 179D of NRS, the Board shall notify the person that, unless the person provides the Board with verifiable documentation confirming that the person is currently in compliance



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

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

29 19. If, after conducting the hearing prescribed in subsection 18,
30 the hearing examiner renders a decision that the person who is the
31 subject of the hearing:

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

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

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

41 (3) Notify the licensee for which the person is employed as a
42 gaming employee, in the manner prescribed in subsection 20, that
43 the Board has suspended the registration of the person as a gaming
44 employee and that the licensee must immediately terminate the



1 person from employment or reassign the person to a position that
2 does not require registration as a gaming employee.

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

7 20. Notice as provided pursuant to subsections 17, 18 and 19 is
8 sufficient if it is mailed to the person's last known address as
9 indicated on the most recent application for registration as a gaming
10 employee or the record of the hearing, or to the person at his or her
11 place of gaming employment. The date of mailing may be proven by
12 a certificate signed by an officer or employee of the Board which
13 specifies the time the notice was mailed. The notice shall be deemed
14 to have been received by the applicant 5 days after it is deposited
15 with the United States Postal Service with the postage thereon
16 prepaid.

17 21. The Board shall remove a suspension entered in accordance
18 with subsection 19 and reinstate the registration of a person as a
19 gaming employee upon receipt of verifiable documentation
20 confirming that the person is currently in compliance with the
21 provisions of chapter 179D of NRS.

22 **Sec. 12.** NRS 463.337 is hereby amended to read as follows:

23 463.337 1. If any gaming employee who is registered as a
24 gaming employee with the Board is convicted of any violation of
25 this chapter or chapter 463B, 464 or 465 of NRS, or if in
26 investigating an alleged violation of this chapter by any licensee the
27 Commission finds that a registered gaming employee employed by
28 the licensee has been guilty of cheating, the Commission shall, after
29 a hearing as provided in NRS 463.310 and 463.312 to 463.3145,
30 inclusive, revoke the registration.

31 2. The Commission may revoke the registration of a gaming
32 employee if the Commission finds, after a hearing as provided in
33 NRS 463.310 and 463.312 to 463.3145, inclusive, that the gaming
34 employee has failed to disclose, misstated or otherwise misled the
35 Board in respect to any fact contained within any application for
36 registration as a gaming employee or, subsequent to being registered
37 as a gaming employee:

38 (a) Committed, attempted or conspired to do any of the acts
39 prohibited by this chapter or chapter 463B, 464 or 465 of NRS;

40 (b) Knowingly possessed or permitted to remain in or upon any
41 licensed premises any cards, dice, mechanical device or any other
42 cheating device whatever, the use of which is prohibited by statute
43 or ordinance;

44 (c) Concealed or refused to disclose any material fact in any
45 investigation by the Board;



(d) Committed, attempted or conspired to commit larceny, ~~for~~ embezzlement **or theft** 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 the gaming employee 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 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. 13. NRS 463.665 is hereby amended to read as follows:

463.665 1. The Commission shall, with the advice and assistance of the Board, adopt regulations prescribing:

(a) The manner and method for the approval of associated equipment by the Board; and

(b) The method and form of any application required by paragraph (a).

2. Except as otherwise provided in subsection 4, the regulations adopted pursuant to subsection 1 must:

(a) Require persons who manufacture or distribute associated equipment for use in this State to be registered with the Board if such associated equipment:

(1) Is directly used in gaming;



(2) Has the ability to add or subtract cash, cash equivalents or wagering credits to a game, gaming device or cashless wagering system;

(3) Interfaces with and affects the operation of a game, gaming device, cashless wagering system or other associated equipment;

(4) Is used directly or indirectly in the reporting of gross revenue; **or**

(5) ~~Records sales for use in an area subject to the tax imposed by NRS 368A.200; or~~

~~—(6)—~~ Is otherwise determined by the Board to create a risk to the integrity of gaming and protection of the public if not regulated;

(b) Establish the degree of review an applicant for registration pursuant to this section must undergo, which level may be different for different forms of associated equipment; and

(c) Establish fees for the application, issuance and renewal of the registration required pursuant to this section, which must not exceed \$1,000 per application, issuance or renewal of such registration.

3. This section does not apply to:

(a) A licensee; or

(b) An affiliate of a licensee or an independent contractor as defined by NRS 463.01715.

4. In addition to requiring a manufacturer or distributor of associated equipment to be registered as set forth in subsections 2 and 3, a manufacturer or distributor of associated equipment who sells, transfers or offers the associated equipment for use or play in Nevada may be required by the Board to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.

5. In addition to requiring a manufacturer or distributor of associated equipment to be registered as set forth in subsections 2 and 3, any person who directly or indirectly involves himself or herself in the sale, transfer or offering for use or play in Nevada of such associated equipment who is not otherwise required to be licensed as a manufacturer or distributor may be required by the Board to file an application for a finding of suitability to be a manufacturer or distributor of associated equipment.

6. If an application for a finding of suitability is not submitted to the Board within 30 days after demand by the Board, it may pursue any remedy or combination of remedies provided in this chapter.

7. Any person who manufactures or distributes associated equipment who has complied with all applicable regulations adopted



1 by the Commission before October 1, 2015, shall be deemed to be
2 registered pursuant to this section.

3 **Sec. 14.** NRS 463.673 is hereby amended to read as follows:

4 463.673 1. The Legislature finds that:

5 (a) To protect and promote the health, safety, morals, good order
6 and general welfare of the inhabitants of this State, and to carry out
7 the public policy declared in NRS 463.0129, it is necessary that the
8 Board and Commission be allowed to react to rapidly evolving
9 technological advances while maintaining strict regulation and
10 control of gaming.

11 (b) Technological advances have evolved which allow
12 ~~to~~ **certain**:

13 (1) **Certain** parts of games, gaming devices, cashless
14 wagering systems and race book and sports pool operations to be
15 conducted at locations that are not on the premises of a licensed
16 gaming establishment ~~to~~; **and**

17 (2) **Associated equipment to be located at a hosting center.**

18 2. Except as otherwise provided in subsection 3, the
19 Commission may, with the advice and assistance of the Board,
20 provide by regulation for the operation and registration of hosting
21 centers and persons associated therewith. Such regulations may
22 include:

23 (a) Provisions relating to the operation and location of hosting
24 centers, including, without limitation, minimum internal and
25 operational control standards established by the Commission.

26 (b) Provisions relating to the registration of persons owning or
27 operating a hosting center and any persons having a significant
28 involvement with a hosting center, as determined by the
29 Commission.

30 (c) A provision that a person owning, operating or having a
31 significant involvement with a hosting center may be required by
32 the Commission to be found suitable to be associated with licensed
33 gaming, including race book or sports pool operations.

34 (d) Additional matters which the Commission deems necessary
35 and appropriate to carry out the provisions of this section and which
36 are consistent with the public policy of this State pursuant to
37 NRS 463.0129.

38 3. The Commission may not adopt regulations pursuant to this
39 section until the Commission first determines that hosting centers
40 are secure and reliable, do not pose a threat to the integrity of
41 gaming and are consistent with the public policy of this State
42 pursuant to NRS 463.0129.

43 4. Regulations adopted by the Commission pursuant to this
44 section must:

45 (a) Define "hosting center."



(b) Provide that the premises on which the hosting center is located are subject to the power and authority of the Board and Commission pursuant to NRS 463.140, as though the premises are where gaming is conducted and the hosting center is a gaming licensee.

Sec. 15. Section 5 of chapter 274, Statutes of Nevada 2015, at page 1367, is hereby amended to read as follows:

Sec. 5. ~~{1-}~~ This act becomes effective upon passage and approval.

~~{2- Section 1 of this act expires by limitation 4 years after the effective date of this act.}~~

Sec. 16. 1. This section and section 15 of this act become effective upon passage and approval.

2. Sections 1 to 14, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On July 1, 2019, for all other purposes.

