

Senate Bill No. 73–Committee on Judiciary

CHAPTER.....

AN ACT relating to gaming; revising the definition of “gaming device” to include mobile gaming; removing or repealing certain provisions relating to mobile gaming; revising certain provisions relating to publicly traded corporations registered with the Nevada Gaming Commission; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law requires the Nevada Gaming Commission and the Nevada Gaming Control Board to administer state gaming licenses and manufacturer’s, seller’s and distributor’s licenses, and to reform various acts relating to the regulation and control of gaming. (NRS 463.140) Existing law authorizes the Commission, with the advice and assistance of the Board, to adopt regulations governing the operation and licensing of mobile gaming. (NRS 463.730) Existing law defines “mobile gaming” as the conduct of gambling games through communication devices operated solely within certain establishments holding a nonrestricted gaming license that permits a person to transfer information to a computer in order to place a bet or wager, and respective information related to the display of the game, game outcomes or other comparable information. (NRS 463.0176) Existing law defines “gaming device” as any object used remotely or directly in connection with gaming, or any other game that affects the results of a wager by determining win or loss but which does not qualify as associated equipment. (NRS 463.0155) **Section 2** of this bill revises the definition of “gaming device” to include mobile gaming, thereby making mobile gaming subject to the same regulation and control as a gaming device. **Sections 1.7, 3-10, 11-19 and 20** of this bill remove or repeal all provisions with individual references to mobile gaming. **Section 19.5** of this bill exempts from the amendatory provisions of **sections 5, 7, 8, 10, 18 and 19**: (1) certain persons with a nonrestricted license for a mobile gaming system or such a license for the operation of a mobile gaming system; (2) certain persons who acquire a financial interest in such an operator of a mobile gaming system or the operation of such a system; or (3) a successor in interest of such a person who acquired such a financial interest. **Section 19.5** also exempts from the amendatory provisions of **section 3** of this bill employees of such an operator of a mobile gaming system described in **section 19.5**. **Section 19.5** also provides that the provisions of law repealed by **section 20** of this bill still apply to those persons or transactions described in **section 19.5**. Finally, **section 19.5** provides that persons or transactions described in **section 19.5** are not exempt from certain provisions of law.

Existing law requires certain persons to apply for and obtain a finding of suitability from the Nevada Gaming Commission if the person acquires, under certain circumstances: (1) beneficial ownership of any voting security of a publicly traded corporation registered with the Commission; (2) beneficial or record ownership of any nonvoting security of a publicly traded corporation registered with the Commission; or (3) beneficial or record ownership of any debt security of a publicly traded corporation registered with the Commission. (NRS 463.643) **Section 10.8** of this bill requires certain persons to notify the Chair of the Board and apply for a finding of suitability with the Commission if such a person acquires or holds a certain percentage of any class of voting securities of a publicly traded corporation registered with the Commission. **Section 10.8** also requires certain



persons or plan sponsors of a pension or employee benefit plan to notify the Chair, apply for a finding of suitability with the Commission and pay a sum of money to the Board if such a person or plan sponsor obtains beneficial ownership or ownership, as applicable, in such a publicly traded corporation and the person or plan sponsor has the intent to engage in certain proscribed activities, except that certain persons who acquire less than a 10 percent beneficial ownership in such a corporation through a pension or employee benefit plan, or plan sponsors who acquire less than 10 percent ownership in such a corporation, are not subject to such notification, application and payment requirements. **Sections 1.3 and 1.5** of this bill define “pension or employee benefit plan” and “proscribed activity” for the purposes of this bill. **Sections 10.2-10.6** make conforming changes.

EXPLANATION – Matter in **bolded italics** is new; matter between brackets ~~omitted material~~ is material to be omitted.

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 the provisions set forth as sections 1.3 and 1.5 of this act.

Sec. 1.3. ***1. “Pension or employee benefit plan” means an employee pension or welfare benefit plan subject to the Employee Retirement Income Security Act of 1974 or a state or federal government pension plan.***

2. The term does not include an employee pension or welfare benefit plan established by a publicly traded corporation that is registered with the Commission, unless such a pension or benefit plan is a multiemployer plan as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1002(37) or § 1301(a)(3).

Sec. 1.5. ***“Proscribed activity” means:***

1. An activity that necessitates a change or amendment to the corporate charter, bylaws, management, policies or operation of a publicly traded corporation that is registered with the Commission;

2. An activity that materially influences or affects the affairs of a publicly traded corporation that is registered with the Commission; or

3. Any other activity determined by the Commission to be inconsistent with holding voting securities for investment purposes only.

Sec. 1.7. NRS 463.0136 is hereby amended to read as follows:
463.0136 “Associated equipment” means:

1. Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming , ~~for mobile gaming,~~ any game,



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. 2. NRS 463.0155 is hereby amended to read as follows:

463.0155 “Gaming device” means any object used remotely or directly in connection with gaming or any game which affects the result of a wager by determining win or loss and which does not otherwise constitute associated equipment. The term includes, without limitation:

1. A slot machine.

2. **Mobile gaming.**

3. A collection of two or more of the following components:

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

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

(c) An assembled mechanical or electromechanical display unit intended for use in gambling; or

(d) An assembled mechanical or electromechanical unit which cannot be demonstrated to have any use other than in a slot machine.

~~3.4~~ 4. Any object 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.

~~4.4~~ 5. 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.

~~5.4~~ 6. A control program.

~~6.4~~ 7. Any combination of one of the components set forth in paragraphs (a) to (d), inclusive, of subsection ~~4.4~~ 3 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.

~~7.4~~ 8. Any object that has been determined to be a gaming device pursuant to regulations adopted by the Commission.

~~8.4~~ 9. As used in this section ~~8.4~~ “control”:



(a) **“Control program”** means any software, source language or executable code which affects the result of a wager by determining win or loss as determined pursuant to regulations adopted by the Commission.

(b) **“Mobile gaming”** means the conduct of gambling games through communications devices operated solely in an establishment which holds a nonrestricted gaming license and which operates at least 100 slot machines and at least one other game by the use of communications technology that allows a person to transmit information to a computer to assist in the placing of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information. For the purposes of this paragraph, **“communications technology”** means any method used and the components employed by an establishment to facilitate the transmission of information, including, without limitation, transmission and reception by systems based on wireless network, wireless fidelity, wire, cable, radio, microwave, light, optics or computer data networks. **The term does not include the Internet.**

Sec. 3. 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) Boxpersons;

(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 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,



associated equipment when the employer is required by NRS 463.650 to be licensed, cashless wagering systems ~~†, mobile gaming systems, equipment associated with mobile gaming systems†~~ or interactive gaming systems;

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

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

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

(m) Employees who have access to the Board's system of records for the purpose of processing the registrations of gaming employees that a licensee is required to perform pursuant to the provisions of this chapter and any regulations adopted pursuant thereto;

(n) Floorpersons;

(o) Hosts or other persons empowered to extend credit or complimentary services;

(p) Keno runners;

(q) Keno writers;

(r) Machine mechanics;

(s) Odds makers and line setters;

(t) Security personnel;

(u) Shift or pit bosses;

(v) Shills;

(w) Supervisors or managers;

(x) Ticket writers;

(y) Employees of a person required by NRS 463.160 to be licensed to operate an information service;

(z) Employees of a licensee who have local access and provide management, support, security or disaster recovery services for any hardware or software that is regulated pursuant to the provisions of this chapter and any regulations adopted pursuant thereto; and

(aa) Temporary or contract employees hired by a licensee to perform a function related to gaming.

2. "Gaming employee" does not include barbacks or bartenders whose duties do not involve gaming activities, cocktail servers or other persons engaged exclusively in preparing or serving food or beverages.



3. As used in this section, “local access” means access to hardware or software from within a licensed gaming establishment, hosting center or elsewhere within this State.

Sec. 4. NRS 463.01715 is hereby amended to read as follows:
463.01715 1. “Manufacture” means:

(a) To manufacture, produce, program, design, control the design of or make modifications to a gaming device, associated equipment, cashless wagering system ~~[- mobile gaming system]~~ or interactive gaming system for use or play in Nevada;

(b) To direct or control the methods and processes used to design, develop, program, assemble, produce, fabricate, compose and combine the components and other tangible objects of any gaming device, associated equipment, cashless wagering system ~~[- mobile gaming system]~~ or interactive gaming system for use or play in Nevada;

(c) To assemble, or control the assembly of, a gaming device, associated equipment, cashless wagering system ~~[- mobile gaming system]~~ or interactive gaming system for use or play in Nevada; or

(d) To assume responsibility for any action described in paragraph (a), (b) or (c).

2. As used in this section:

(a) “Assume responsibility” means to:

(1) Acquire complete control over, or ownership of, the applicable gaming device, associated equipment, cashless wagering system ~~[- mobile gaming system]~~ or interactive gaming system; and

(2) Accept continuing legal responsibility for the gaming device, associated equipment, cashless wagering system ~~[- mobile gaming system]~~ or interactive gaming system, including, without limitation, any form of manufacture performed by an affiliate or independent contractor.

(b) “Independent contractor” means, with respect to a manufacturer, any person who:

(1) Is not an employee of the manufacturer; and

(2) Pursuant to an agreement with the manufacturer, designs, develops, programs, produces or composes a control program used in the manufacture of a gaming device. As used in this subparagraph, “control program” has the meaning ascribed to it in NRS 463.0155.

Sec. 5. NRS 463.0177 is hereby amended to read as follows:

463.0177 “Nonrestricted license” or “nonrestricted operation” means:

1. A state gaming license for, or an operation consisting of, 16 or more slot machines;



2. A license for, or operation of, any number of slot machines together with any other game, gaming device, race book or sports pool at one establishment;

3. A license for, or the operation of, a slot machine route; **or**

4. A license for, or the operation of, an inter-casino linked system. ~~}; or~~

~~5. A license for, or the operation of, a mobile gaming system.]~~

Sec. 6. NRS 463.160 is hereby amended to read as follows:

463.160 1. Except as otherwise provided in subsection 4 and NRS 463.172, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others:

(a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any gambling game, gaming device, inter-casino linked system, ~~{mobile gaming system,}~~ slot machine, race book or sports pool;

(b) To provide or maintain any information service;

(c) To operate a gaming salon;

(d) To receive, directly or indirectly, any compensation or reward or any percentage or share of the money or property played, for keeping, running or carrying on any gambling game, slot machine, gaming device, ~~{mobile gaming system,}~~ race book or sports pool;

(e) To operate as a cash access and wagering instrument service provider; or

(f) To operate, carry on, conduct, maintain or expose for play in or from the State of Nevada any interactive gaming system,

↳ without having first procured, and thereafter maintaining in effect, all federal, state, county and municipal gaming licenses as required by statute, regulation or ordinance or by the governing board of any unincorporated town.

2. The licensure of an operator of an inter-casino linked system is not required if:

(a) A gaming licensee is operating an inter-casino linked system on the premises of an affiliated licensee; or

(b) An operator of a slot machine route is operating an inter-casino linked system consisting of slot machines only.

3. Except as otherwise provided in subsection 4, it is unlawful for any person knowingly to permit any gambling game, slot machine, gaming device, inter-casino linked system, ~~{mobile gaming system,}~~ race book or sports pool to be conducted, operated, dealt or carried on in any house or building or other premises owned



by the person, in whole or in part, by a person who is not licensed pursuant to this chapter, or that person's employee.

4. The Commission may, by regulation, authorize a person to own or lease gaming devices for the limited purpose of display or use in the person's private residence without procuring a state gaming license.

5. For the purposes of this section, the operation of a race book or sports pool includes making the premises available for any of the following purposes:

(a) Allowing patrons to establish an account for wagering with the race book or sports pool;

(b) Accepting wagers from patrons;

(c) Allowing patrons to place wagers;

(d) Paying winning wagers to patrons; or

(e) Allowing patrons to withdraw cash from an account for wagering or to be issued a ticket, receipt, representation of value or other credit representing a withdrawal from an account for wagering that can be redeemed for cash,

↳ whether by a transaction in person at an establishment or through mechanical means, such as a kiosk or similar device, regardless of whether that device would otherwise be considered associated equipment. A separate license must be obtained for each location at which such an operation is conducted.

6. As used in this section, "affiliated licensee" has the meaning ascribed to it in NRS 463.430.

Sec. 7. NRS 463.1605 is hereby amended to read as follows:

463.1605 1. Except as otherwise provided in subsection 3, the Commission shall not approve a nonrestricted license, other than for the operation of a ~~{mobile gaming system,}~~ race book or sports pool at an establishment which holds a nonrestricted license to operate both gaming devices and a gambling game, for an establishment in a county whose population is 100,000 or more unless the establishment is a resort hotel.

2. A county, city or town may require resort hotels to meet standards in addition to those required by this chapter as a condition of issuance of a gaming license by the county, city or town.

3. The Commission may approve a nonrestricted license for an establishment which is not a resort hotel at a new location if:

(a) The establishment was acquired or displaced pursuant to a redevelopment project undertaken by an agency created pursuant to chapter 279 of NRS in accordance with a final order of condemnation entered before June 17, 2005; or



(b) The establishment was acquired or displaced pursuant to a redevelopment project undertaken by an agency created pursuant to chapter 279 of NRS in accordance with a final order of condemnation entered on or after June 17, 2005, and the new location of the establishment is within the same redevelopment area as the former location of the establishment.

Sec. 8. NRS 463.245 is hereby amended to read as follows:

463.245 1. Except as otherwise provided in this section:

(a) All licenses issued to the same person, including a wholly owned subsidiary of that person, for the operation of any game, including a sports pool or race book, which authorize gaming at the same establishment must be merged into a single gaming license.

(b) A gaming license may not be issued to any person if the issuance would result in more than one licensed operation at a single establishment, whether or not the profits or revenue from gaming are shared between the licensed operations.

2. A person who has been issued a nonrestricted gaming license for an operation described in subsection 1 ~~1~~ **or** 2 ~~for 5~~ of NRS 463.0177 may establish a sports pool or race book on the premises of the establishment only after obtaining permission from the Commission.

3. A person who has been issued a license to operate a sports pool or race book at an establishment may be issued a license to operate a sports pool or race book at a second establishment described in subsection 1 or 2 of NRS 463.0177 only if the second establishment is operated by a person who has been issued a nonrestricted license for that establishment. A person who has been issued a license to operate a race book or sports pool at an establishment is prohibited from operating a race book or sports pool at:

(a) An establishment for which a restricted license has been granted; or

(b) An establishment at which only a nonrestricted license has been granted for an operation described in subsection 3 or 4 of NRS 463.0177.

4. A person who has been issued a license to operate a race book or sports pool shall not enter into an agreement for the sharing of revenue from the operation of the race book or sports pool with another person in consideration for the offering, placing or maintaining of a kiosk or other similar device not physically located on the licensed premises of the race book or sports pool, except:

(a) An affiliated licensed race book or sports pool; or



(b) The licensee of an establishment at which the race book or sports pool holds or obtains a license to operate pursuant to this section.

➤ This subsection does not prohibit an operator of a race book or sports pool from entering into an agreement with another person for the provision of shared services relating to advertising or marketing.

5. Nothing in this section limits or prohibits an operator of an inter-casino linked system from placing and operating such a system on the premises of two or more gaming licensees and receiving, either directly or indirectly, any compensation or any percentage or share of the money or property played from the linked games in accordance with the provisions of this chapter and the regulations adopted by the Commission. An inter-casino linked system must not be used to link games other than slot machines, unless such games are located at an establishment that is licensed for games other than slot machines.

6. For the purposes of this section, the operation of a race book or sports pool includes making the premises available for any of the following purposes:

(a) Allowing patrons to establish an account for wagering with the race book or sports pool;

(b) Accepting wagers from patrons;

(c) Allowing patrons to place wagers;

(d) Paying winning wagers to patrons; or

(e) Allowing patrons to withdraw cash from an account for wagering or to be issued a ticket, receipt, representation of value or other credit representing a withdrawal from an account for wagering that can be redeemed for cash,

➤ whether by a transaction in person at an establishment or through mechanical means such as a kiosk or other similar device, regardless of whether that device would otherwise be considered associated equipment.

7. The provisions of this section do not apply to a license to operate ~~{a mobile gaming system or to operate}~~ interactive gaming.

Sec. 9. NRS 463.305 is hereby amended to read as follows:

463.305 1. Any person who operates or maintains in this State any gaming device of a specific model, any gaming device which includes a significant modification ~~{, any mobile gaming system}~~ or any inter-casino linked system which the Board or Commission has not approved for testing or for operation is subject to disciplinary action by the Board or Commission.

2. The Board shall maintain a list of approved gaming devices ~~{, mobile gaming systems}~~ and inter-casino linked systems.



3. If the Board suspends or revokes approval of a gaming device pursuant to the regulations adopted pursuant to subsection 4, ~~for suspends or revokes approval of a mobile gaming system pursuant to the regulations adopted pursuant to NRS 463.730,~~ the Board may order the removal of the gaming device ~~for mobile gaming system~~ from an establishment.

4. The Commission shall adopt regulations relating to gaming devices and their significant modification and inter-casino linked systems.

Sec. 10. NRS 463.3855 is hereby amended to read as follows:

463.3855 1. In addition to any other state license fees imposed by this chapter, the Commission shall, before issuing a state gaming license to an operator of a slot machine route ~~an operator of a mobile gaming system~~ or an operator of an inter-casino linked system, charge and collect an annual license fee of \$500.

2. Each such license must be issued for a calendar year beginning January 1 and ending December 31. If the operation of the licensee is continuing, the Commission shall charge and collect the fee on or before December 31 for the ensuing calendar year.

3. Except as otherwise provided in NRS 463.386, the fee to be charged and collected under this section is the full annual fee, without regard to the date of application for or issuance of the license.

Sec. 10.2. NRS 463.482 is hereby amended to read as follows:

463.482 As used in NRS 463.160 to 463.170, inclusive, 463.368, 463.386, 463.482 to 463.645, inclusive, and 463.750, unless the context otherwise requires, the words and terms defined in NRS 463.4825 to 463.488, inclusive, *and sections 1.3 and 1.5 of this act* have the meanings ascribed to them in those sections.

Sec. 10.4. NRS 463.622 is hereby amended to read as follows:

463.622 The policy of the State of Nevada with respect to corporate *affairs, including, without limitation, corporate* acquisitions, repurchases of securities and corporate recapitalizations affecting corporate licensees and publicly traded corporations that are affiliated companies is to:

1. Assure the financial stability of corporate licensees and affiliated companies;

2. *Protect the continued integrity of corporate gaming in matters of corporate governance;*

3. Preserve the beneficial aspects of conducting business in the corporate form; and



~~[3-]~~ 4. Promote a neutral environment for the orderly governance of corporate affairs that is consistent with the public policy of this state concerning gaming.

Sec. 10.6. NRS 463.623 is hereby amended to read as follows:

463.623 1. The Commission ~~may~~ **shall** adopt regulations providing for the review and approval of corporate acquisitions opposed by management, repurchases of securities and corporate defense tactics affecting corporate gaming licensees and publicly traded corporations that are affiliated companies. The regulations must be consistent with:

~~[1-]~~ (a) The policy of this state as expressed in this chapter;

~~[2-]~~ (b) The provisions of this chapter;

~~[3-]~~ (c) The requirements of the Constitution of the United States; and

~~[4-]~~ (d) Federal regulation of securities.

2. *The regulations must include, without limitation:*

(a) *Procedures by which a person, before engaging in certain proscribed activities, directly or indirectly, to materially influence or affect the affairs of a publicly traded corporation that is registered with the Commission, must file an application for a finding of suitability pursuant to NRS 463.643;*

(b) *Provisions that determine which corporate activities, in addition to those described in subsection 5 of NRS 463.643, influence or affect the affairs of a corporation in such a way that the Commission would require a person to file an application for a finding of suitability pursuant to NRS 463.643; and*

(c) *Provisions that ensure that a person is not unduly prohibited from lawfully exercising any of his or her voting rights derived from being a shareholder of a publicly traded corporation.*

Sec. 10.8. NRS 463.643 is hereby amended to read as follows:

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

(a) Beneficial ownership of any voting security; or

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

↪ in a publicly traded corporation which is registered with the Commission may be required to be found suitable if the Commission has reason to believe that the person's acquisition of that ownership would otherwise be inconsistent with the declared policy of this state.

2. Each person who acquires, directly or indirectly, beneficial or record ownership of any debt security in a publicly traded corporation which is registered with the Commission may be required to be found suitable if the Commission has reason to



believe that the person's acquisition of the debt security would otherwise be inconsistent with the declared policy of this state.

3. Each person who, individually or in association with others, acquires ~~H~~ **or holds**, directly or indirectly, beneficial ownership of more than 5 percent of any class of voting securities of a publicly traded corporation registered with the Nevada Gaming Commission, and who is required to report, or voluntarily reports, the acquisition **or holding** to the Securities and Exchange Commission pursuant to section 13(d)(1), 13(g) or 16(a) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. §§ 78m(d)(1), 78m(g) and 78p(a), respectively, shall, ~~[within 10 days]~~ after filing the report and any amendment thereto with the Securities and Exchange Commission, notify the Nevada Gaming Commission **on the date specified in regulation by the Nevada Gaming Commission and** in the manner prescribed by the Chair of the Board that the report has been filed with the Securities and Exchange Commission.

4. Each person who, individually or in association with others, acquires ~~H~~ **or holds**, directly or indirectly, the beneficial ownership of more than 10 percent of any class of voting securities of a publicly traded corporation registered with the Commission, or who is required to report, or voluntarily reports, such acquisition **or holding** pursuant to section 13(d)(1), 13(g) or 16(a) of the Securities Exchange Act of 1934, as amended, 15 U.S.C. §§ 78m(d)(1), 78m(g) and 78p(a), respectively, shall apply to the Commission for a finding of suitability within 30 days after the ~~[Chair of the Board mails the written notice.]~~ **date specified by the Commission by regulation.**

5. A person who acquires, directly or indirectly:

(a) Beneficial ownership of any voting security; or

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

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

6. ***Except as otherwise provided in subsection 7, each person who, individually or in association with others, acquires or holds, directly or indirectly, the beneficial ownership of any amount of any class of voting securities of a publicly traded corporation registered with the Commission or each plan sponsor of a pension or employee benefit plan that acquires or holds any amount of any class of voting securities in such a publicly traded corporation, and who has the intent to engage in any proscribed activity shall:***



(a) Within 2 days after possession of such intent, notify the Chair of the Board in the manner prescribed by the Chair;

(b) Apply to the Commission for a finding of suitability within 30 days after notifying the Chair pursuant to paragraph (a); and

(c) Deposit with the Board the sum of money required by the Board pursuant to subsection 8.

7. Except as otherwise provided by the Commission, a person who has beneficial ownership of less than 10 percent of each class of voting securities of a publicly traded corporation registered with the Commission, acquired or held by the person through a pension or employee benefit plan, or the plan sponsor of a pension or employee benefit plan that has ownership of less than 10 percent of each class of voting securities of such a publicly traded corporation, need not notify the Commission, apply for a finding of suitability with the Commission or deposit the required sum of money with the Board pursuant to subsection 6 before engaging in any proscribed activity.

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

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

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

~~17~~ **9.** Any person required by the Commission or this section to be found suitable who is found unsuitable by the Commission shall not hold directly or indirectly the:

(a) Beneficial ownership of any voting security; or

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

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

~~18~~ **10.** The violation of subsection ~~16~~ **8** or ~~17~~ **9** is a gross misdemeanor.

~~19~~ **11.** As used in this section, “debt security” means any instrument generally recognized as a corporate security representing money owed and reflected as debt on the financial statement of a publicly traded corporation, including, but not limited to, bonds, notes and debentures.



Sec. 11. NRS 463.650 is hereby amended to read as follows:

463.650 1. Except as otherwise provided in subsections 2 to 7, inclusive, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to operate, carry on, conduct or maintain any form of manufacture, selling or distribution of any gaming device, cashless wagering system ~~[- mobile gaming system]~~ or interactive gaming system for use or play in Nevada without first procuring and maintaining all required federal, state, county and municipal licenses.

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

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

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

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

(b) Antique gaming devices,

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

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

(a) A law enforcement agency;

(b) A court of law; or

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

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

6. A manufacturer who performs any action described in paragraph (a), (b) or (c) of subsection 1 of NRS 463.01715 is not required to be licensed under the provisions of this section with respect to the performance of that action if another manufacturer



who is licensed under the provisions of this section assumes responsibility for the performance of that action.

7. An independent contractor who designs, develops, programs, produces or composes a control program for use in the manufacture of a gaming device that is for use or play in this State is not required to be licensed under the provisions of this section with respect to the design, development, programming, production or composition of a control program if a manufacturer who is licensed under the provisions of this section assumes responsibility for the design, development, programming, production or composition of the control program.

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

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

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

11. Any person conducting business in Nevada who is not required to be licensed as a manufacturer, seller or distributor pursuant to subsection 1, but who otherwise must register with the Attorney General of the United States pursuant to Title 15 of U.S.C., must submit to the Board a copy of such registration within 10 days after submission to the Attorney General of the United States.

12. It is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to knowingly distribute any gaming device, cashless wagering system, ~~mobile gaming system,~~ interactive gaming system or associated equipment from Nevada to any jurisdiction where the possession, ownership or use of any such device, system or equipment is illegal.

13. As used in this section:

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

(b) "Assume responsibility" has the meaning ascribed to it in NRS 463.01715.

(c) "Control program" has the meaning ascribed to it in NRS 463.0155.



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

(e) "Independent contractor" has the meaning ascribed to it in NRS 463.01715.

Sec. 12. NRS 463.6505 is hereby amended to read as follows:

463.6505 1. In addition to any other requirements set forth in this chapter, an applicant for the renewal of a license as a manufacturer, distributor or seller of gaming devices ~~for mobile gaming systems~~ must indicate in the application submitted to the Commission whether the applicant has a state business license. If the applicant has a state business license, the applicant must include in the application the business identification number assigned by the Secretary of State upon compliance with the provisions of chapter 76 of NRS.

2. A license as a manufacturer, distributor or seller of gaming devices ~~for mobile gaming systems~~ may not be renewed by the Commission if:

(a) The applicant fails to submit the information required by subsection 1; or

(b) The State Controller has informed the Commission pursuant to subsection 5 of NRS 353C.1965 that the applicant owes a debt to an agency that has been assigned to the State Controller for collection and the applicant has not:

(1) Satisfied the debt;

(2) Entered into an agreement for the payment of the debt pursuant to NRS 353C.130; or

(3) Demonstrated that the debt is not valid.

3. As used in this section:

(a) "Agency" has the meaning ascribed to it in NRS 353C.020.

(b) "Debt" has the meaning ascribed to it in NRS 353C.040.

Sec. 13. NRS 463.651 is hereby amended to read as follows:

463.651 1. A natural person who applies for the issuance or renewal of a license as a manufacturer, distributor or seller of gaming devices ~~for mobile gaming systems~~ shall submit to the Commission the statement prescribed by the Division of Welfare and Supportive Services of the Department of Health and Human Services pursuant to NRS 425.520. The statement must be completed and signed by the applicant.

2. The Commission shall include the statement required pursuant to subsection 1 in:

(a) The application or any other forms that must be submitted for the issuance or renewal of the license; or

(b) A separate form prescribed by the Commission.



3. A license as a manufacturer, distributor or seller of gaming devices ~~for mobile gaming systems~~ may not be issued or renewed by the Commission if the applicant is a natural person who:

(a) Fails to submit the statement required pursuant to subsection 1; or

(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Commission shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 14. NRS 463.652 is hereby amended to read as follows:

463.652 1. If the Commission receives a copy of a court order issued pursuant to NRS 425.540 that provides for the suspension of all professional, occupational and recreational licenses, certificates and permits issued to a person who is the holder of a license as a manufacturer, distributor or seller of gaming devices , ~~for mobile gaming systems,~~ the Commission shall deem the license issued to that person to be suspended at the end of the 30th day after the date on which the court order was issued unless the Commission receives a letter issued to the holder of the license by the district attorney or other public agency pursuant to NRS 425.550 stating that the holder of the license has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.

2. The Commission shall reinstate a license as a manufacturer, distributor or seller of gaming devices ~~for mobile gaming systems~~ that has been suspended by a district court pursuant to NRS 425.540 if the Commission receives a letter issued by the district attorney or other public agency pursuant to NRS 425.550 to the person whose license was suspended stating that the person whose license was suspended has complied with the subpoena or warrant or has satisfied the arrearage pursuant to NRS 425.560.



Sec. 15. NRS 463.653 is hereby amended to read as follows:

463.653 The application of a natural person who applies for the issuance of a license as a manufacturer, distributor or seller of gaming devices ~~for mobile gaming systems~~ must include the social security number of the applicant.

Sec. 16. NRS 463.670 is hereby amended to read as follows:

463.670 1. The Legislature finds and declares as facts:

(a) That the inspection of games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems ~~for mobile gaming systems~~ and interactive gaming systems is essential to carry out the provisions of this chapter.

(b) That the inspection of games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems ~~for mobile gaming systems~~ and interactive gaming systems is greatly facilitated by the opportunity to inspect components before assembly and to examine the methods of manufacture.

(c) That the interest of this State in the inspection of games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems ~~for mobile gaming systems~~ and interactive gaming systems must be balanced with the interest of this State in maintaining a competitive gaming industry in which games can be efficiently and expeditiously brought to the market.

2. The Commission may, with the advice and assistance of the Board, adopt and implement procedures that preserve and enhance the necessary balance between the regulatory and economic interests of this State which are critical to the vitality of the gaming industry of this State.

3. The Board may inspect every game or gaming device which is manufactured, sold or distributed:

(a) For use in this State, before the game or gaming device is put into play.

(b) In this State for use outside this State, before the game or gaming device is shipped out of this State.

4. The Board may inspect every game or gaming device which is offered for play within this State by a state gaming licensee.

5. The Board may inspect all associated equipment, every cashless wagering system, every inter-casino linked system ~~for every mobile gaming system~~ and every interactive gaming system which is manufactured, sold or distributed for use in this State before the equipment or system is installed or used by a state gaming licensee and at any time while the state gaming licensee is using the equipment or system.



6. In addition to all other fees and charges imposed by this chapter, the Board may determine, charge and collect an inspection fee from each manufacturer, seller, distributor or independent testing laboratory which must not exceed the actual cost of inspection and investigation.

7. The Commission shall adopt regulations which:

(a) Provide for the registration of independent testing laboratories and of each person that owns, operates or has significant involvement with an independent testing laboratory, specify the form of the application required for such registration, set forth the qualifications required for such registration and establish the fees required for the application, the investigation of the applicant and the registration of the applicant.

(b) Authorize the Board to utilize independent testing laboratories for the inspection and certification of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system ~~[, mobile gaming system]~~ or interactive gaming system, or any components thereof.

(c) Establish uniform protocols and procedures which the Board and independent testing laboratories must follow during an inspection performed pursuant to subsection 3 or 5, and which independent testing laboratories must follow during the certification of any game, gaming device, associated equipment, cashless wagering system, inter-casino linked system ~~[, mobile gaming system]~~ or interactive gaming system, or any components thereof, for use in this State or for shipment from this State.

(d) Allow an application for the registration of an independent testing laboratory to be granted upon the independent testing laboratory's completion of an inspection performed in compliance with the uniform protocols and procedures established pursuant to paragraph (c) and satisfaction of such other requirements that the Board may establish.

(e) Provide the standards and procedures for the revocation of the registration of an independent testing laboratory.

(f) Provide the standards and procedures relating to the filing of an application for a finding of suitability pursuant to this section and the remedies should a person be found unsuitable.

(g) Provide any additional provisions which the Commission deems necessary and appropriate to carry out the provisions of this section and which are consistent with the public policy of this State pursuant to NRS 463.0129.

8. The Commission shall retain jurisdiction over any person registered pursuant to this section and any regulation adopted



thereto, in all matters relating to a game, gaming device, associated equipment, cashless wagering system, inter-casino linked system ~~[- mobile gaming system]~~ or interactive gaming system, or any component thereof or modification thereto, even if the person ceases to be registered.

9. A person registered pursuant to this section is subject to the investigatory and disciplinary proceedings that are set forth in NRS 463.310 to 463.318, inclusive, and shall be punished as provided in those sections.

10. The Commission may, upon recommendation of the Board, require the following persons to file an application for a finding of suitability:

- (a) A registered independent testing laboratory.
- (b) An employee of a registered independent testing laboratory.
- (c) An officer, director, partner, principal, manager, member, trustee or direct or beneficial owner of a registered independent testing laboratory or any person that owns or has significant involvement with the activities of a registered independent testing laboratory.

11. If a person fails to submit an application for a finding of suitability within 30 days after a demand by the Commission pursuant to this section, the Commission may make a finding of unsuitability. Upon written request, such period may be extended by the Chair of the Commission, at the Chair's sole and absolute discretion.

12. As used in this section, unless the context otherwise requires, "independent testing laboratory" means a private laboratory that is registered by the Board to inspect and certify games, gaming devices, associated equipment, cashless wagering systems, inter-casino linked systems ~~[- mobile gaming systems]~~ or interactive gaming systems, and any components thereof and modifications thereto, and to perform such other services as the Board and Commission may request.

Sec. 17. NRS 463.677 is hereby amended to read as follows:

463.677 1. The Legislature finds that:

(a) Technological advances have evolved which allow licensed gaming establishments to expose games, including, without limitation, system-based and system-supported games, gaming devices, ~~[- mobile gaming systems]~~ interactive gaming, cashless wagering systems or race books and sports pools, and to be assisted by a service provider who provides important services to the public with regard to the conduct and exposure of such games.



(b) To protect and promote the health, safety, morals, good order and general welfare of the inhabitants of this State, and to carry out the public policy declared in NRS 463.0129, it is necessary that the Board and Commission have the ability to license service providers by maintaining strict regulation and control of the operation of such service providers and all persons and locations associated therewith.

2. Except as otherwise provided in subsection 3, the Commission may, with the advice and assistance of the Board, provide by regulation for the licensing and operation of a service provider and all persons, locations and matters associated therewith. Such regulations may include, without limitation:

(a) Provisions requiring the service provider to meet the qualifications for licensing pursuant to NRS 463.170, in addition to any other qualifications established by the Commission, and to be licensed regardless of whether the service provider holds any other license.

(b) Criteria regarding the location from which the service provider conducts its operations, including, without limitation, minimum internal and operational control standards established by the Commission.

(c) Provisions relating to the licensing of persons owning or operating a service provider, and any persons having a significant involvement therewith, as determined by the Commission.

(d) A provision that a person owning, operating or having significant involvement with a service provider, as determined by the Commission, may be required by the Commission to be found suitable to be associated with licensed gaming, including race book or sports pool operations.

(e) Additional matters which the Commission deems necessary and appropriate to carry out the provisions of this section and which are consistent with the public policy of this State pursuant to NRS 463.0129, including that a service provider must be liable to the licensee on whose behalf the services are provided for the service provider's proportionate share of the fees and taxes paid by the licensee.

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

4. Regulations adopted by the Commission pursuant to this section must provide that the premises on which a service provider



conducts its operations 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 service provider is a gaming licensee.

5. As used in this section:

(a) “Interactive gaming service provider” means a person who acts on behalf of an establishment licensed to operate interactive gaming and:

(1) Manages, administers or controls wagers that are initiated, received or made on an interactive gaming system;

(2) Manages, administers or controls the games with which wagers that are initiated, received or made on an interactive gaming system are associated;

(3) Maintains or operates the software or hardware of an interactive gaming system; or

(4) Provides products, services, information or assets to an establishment licensed to operate interactive gaming and receives therefor a percentage of gaming revenue from the establishment’s interactive gaming system.

(b) “Service provider” means a person who:

(1) Acts on behalf of another licensed person who conducts nonrestricted gaming operations, and who assists, manages, administers or controls wagers or games, or maintains or operates the software or hardware of games on behalf of such a licensed person, and is authorized to share in the revenue from games without being licensed to conduct gaming at an establishment;

(2) Is an interactive gaming service provider;

(3) Is a cash access and wagering instrument service provider; or

(4) Meets such other or additional criteria as the Commission may establish by regulation.

Sec. 18. NRS 465.070 is hereby amended to read as follows:

465.070 It is unlawful for any person:

1. To alter or misrepresent the outcome of a game or other event on which wagers have been made after the outcome is made sure but before it is revealed to the players.

2. To place, increase or decrease a bet or to determine the course of play after acquiring knowledge, not available to all players, of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a bet or determining the course of play contingent upon that event or outcome.



3. To claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a gambling game, with intent to defraud, without having made a wager contingent thereon, or to claim, collect or take an amount greater than the amount won.

4. Knowingly to entice or induce another to go to any place where a gambling game is being conducted or operated in violation of the provisions of this chapter, with the intent that the other person play or participate in that gambling game.

5. To place or increase a bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including past-posting and pressing bets.

6. To reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including pinching bets.

7. To manipulate, with the intent to cheat, any component of a gaming device in a manner contrary to the designed and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine, with knowledge that the manipulation affects the outcome of the game or with knowledge of any event that affects the outcome of the game.

8. To offer, promise or give anything of value to anyone for the purpose of influencing the outcome of a race, sporting event, contest or game upon which a wager may be made, or to place, increase or decrease a wager after acquiring knowledge, not available to the general public, that anyone has been offered, promised or given anything of value for the purpose of influencing the outcome of the race, sporting event, contest or game upon which the wager is placed, increased or decreased.

9. To change or alter the normal outcome of any game played on an interactive gaming system ~~for a mobile gaming system~~ or the way in which the outcome is reported to any participant in the game.

Sec. 19. NRS 465.094 is hereby amended to read as follows:

465.094 The provisions of NRS 465.092 and 465.093 do not apply to global risk management pursuant to NRS 463.810 and 463.820 or to a wager placed by a person for the person's own benefit or, without compensation, for the benefit of another that is accepted or received by, placed with, or sent, transmitted or relayed to:

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



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

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

~~—4.}~~ Any other person or establishment that is licensed to engage in wagering pursuant to title 41 of NRS, if the wager is accepted or received within this State and otherwise complies with all other applicable laws and regulations concerning wagering; or

~~{5.}~~ 4. Any other person or establishment that is licensed to engage in wagering in another jurisdiction and is permitted to accept or receive a wager from patrons within this State under an agreement entered into by the Governor pursuant to NRS 463.747.

Sec. 19.5. 1. The amendatory provisions of section 3 of this act do not apply to an employee of an operator of a mobile gaming system described in subsection 2 whose duties include the operational or supervisory control of the system or the games that are part of the system.

2. The amendatory provisions of sections 5, 7, 8, 10, 18 and 19 of this act do not apply to:

(a) A person who holds a nonrestricted license for a mobile gaming system or who holds such a license for the operation of a mobile gaming system that was issued on or before June 30, 2019;

(b) A person who before, on or after July 1, 2019, acquires a financial interest in:

(1) An operator of a mobile gaming system described in paragraph (a); or

(2) The operation of such a mobile gaming system described in paragraph (a); or

(c) A successor in interest to a person who acquires a financial interest described in paragraph (b).

3. The provisions of statute repealed by section 20 of this act continue to apply on and after July 1, 2019, to any person or transaction described in subsections 1 and 2.

4. The provisions of this section do not exempt a person or transaction from any provision of law relating to the licensure, registration, finding of suitability, review or approval of such a person or transaction.



Sec. 20. NRS 463.0176, 463.730 and 463.735 are hereby repealed.

Sec. 21. 1. This section and sections 1, 1.3, 1.5 and 10.2 to 10.8, inclusive, of this act become effective upon passage and approval for the purpose of adopting regulations and performing any other preparatory administrative tasks to carry out the amendatory provisions of this act, and on January 1, 2020, for all other purposes.

2. Sections 1.7 to 10, inclusive, and 11 to 20, inclusive, of this act become effective on July 1, 2019.

