

CHAPTER.....

AN ACT relating to gaming; revising the definition of “qualified organization”; revising provisions relating to the registration of a qualified organization to operate a charitable lottery or charitable game; revising provisions relating to the prohibition against the registration of a qualified organization to operate a charitable lottery or charitable game in certain circumstances; establishing provisions concerning online ticket sales conducted by qualified professional sports organizations; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Under existing law, a qualified organization must register with the Chair of the Nevada Gaming Control Board before operating a charitable lottery. (NRS 462.140) Existing law defines a “qualified organization” as an alumni, charitable, civic, educational, fraternal, patriotic, religious or veterans’ organization or a state or local bar association that has been certified by the Department of Taxation or the Internal Revenue Service as not operated for profit. (NRS 462.125) **Section 1** of this bill additionally provides that any such organization or state or local bar association is a qualified organization if it is registered with the Secretary of State as a charitable organization that solicits charitable contributions.

Existing law requires the Nevada Gaming Commission, upon recommendation by the Board, to adopt regulations establishing the fees that a qualified organization must submit to the Chair to operate a charitable lottery or charitable game. (NRS 462.160) **Section 2** of this bill provides that if the total value of the prizes offered by the qualified organization in the same calendar year is less than \$100,000: (1) the qualified organization must register annually with the Board; and (2) the regulations adopted by the Commission must not impose an annual fee that exceeds \$10 on such a qualified organization.

Existing law prohibits the Chair from registering a qualified organization to operate a charitable lottery or charitable game outside this State. (NRS 462.180) **Section 2.5** of this bill additionally prohibits the Chair from registering a qualified organization to operate a charitable lottery or charitable game through the use of a video lottery terminal or any other mechanical, electromechanical or electronic device or machine that performs all the functions of a lottery by itself or when networked with other similar devices or machines.

Existing law provides that online ticket sales for a charitable lottery or charitable game are required to be approved by the Chair. (NRS 462.180) **Section 2.5** provides that a qualified professional sports organization is authorized to conduct approved online ticket sales in conjunction with a charitable lottery offering a cash prize only: (1) on a day that the professional sports team franchise affiliated with the qualified professional sports organization is playing a home game in this State; and (2) if such online ticket sales are restricted to the use of mobile devices in the arena or stadium of the professional sports team franchise or on any parcel of land upon which the arena or stadium is situated.



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. NRS 462.125 is hereby amended to read as follows:

462.125 “Qualified organization” means an alumni, charitable, civic, educational, fraternal, patriotic, religious or veterans’ organization or a state or local bar association that ~~has~~:

1. *Has* been certified by the Department of Taxation or the Internal Revenue Service as not operated for profit ~~;~~ *or*

2. *Is registered with the Secretary of State as a charitable organization that solicits charitable contributions pursuant to NRS 82A.100.*

Sec. 2. NRS 462.160 is hereby amended to read as follows:

462.160 1. ~~For~~ *Except as otherwise provided in subsection 3, to* register with the Chair to operate a charitable lottery or charitable game, a qualified organization must submit to the Chair:

(a) A written application containing:

(1) The name, address and nature of the organization.

(2) Proof that the organization is a qualified organization.

(3) The names of the officers or principals of the organization, and of any person responsible for the management, administration or supervision of the organization’s charitable lotteries or charitable games and any activities related to those charitable lotteries or charitable games.

(4) A listing of vendors who will assist with each charitable lottery or charitable game operated by the organization and the services that will be provided.

(5) A description of all the prizes to be offered in each charitable lottery or charitable game operated by the organization.

(6) A summary of the anticipated expenses of conducting each charitable lottery or charitable game, including copies of any proposed agreements between the organization and any suppliers of material for the operation of each charitable lottery or charitable game.

(7) A description of the intended use of the net proceeds of each charitable lottery or charitable game operated by the organization.

(8) The address of the location where each charitable lottery or charitable game will be conducted by the organization.

(9) The operational controls for each charitable lottery or charitable game, including, without limitation:



(I) The methods proposed for ticket sales and, if proposing mobile, online or telephone sales, the procedures for such sales;

(II) The audit controls for all ticket sales in this State to ensure compliance with NRS 462.180;

(III) The rules which will be presented to the public for each charitable lottery or charitable game;

(IV) The method of awarding all prizes and announcing all winners to the public; and

(V) The rules and time frames for the collection of all prizes.

(10) A statement verifying that all charitable lotteries or charitable games will be conducted in accordance with the standards of honesty and integrity applicable to licensed gambling games in this State and that any prizes that would be deemed illegal under state or federal law will not be offered.

(11) Any other information the Chair deems appropriate.

(b) All applicable fees established by the Commission by regulation pursuant to subsection ~~3~~ 4.

2. A qualified organization shall submit such additional information as necessary to correct or complete any information submitted pursuant to this section that becomes inaccurate or incomplete. The registration of a qualified organization is suspended during the period that any of the information is inaccurate or incomplete. The Chair may reinstate the registration of the organization only after all information has been corrected and completed.

3. *If the total value of the prizes offered by a qualified organization in the same calendar year is less than \$100,000:*

(a) The qualified organization must register annually with the Board; and

(b) The regulations adopted by the Commission pursuant to subsection 4 must not impose an annual fee that exceeds \$10 on such a qualified organization.

4. The Commission, upon recommendation by the Board, shall adopt regulations establishing the fees that a qualified organization must submit to the Chair pursuant to this section.

~~4~~ 5. The money collected pursuant to this section must be expended to administer and enforce the provisions of this chapter.

Sec. 2.5. NRS 462.180 is hereby amended to read as follows:

462.180 1. The Chair shall not register a qualified organization to operate a charitable lottery or charitable game outside this State ~~or~~ *or through the use of a video lottery terminal*



or any other mechanical, electromechanical or electronic device or machine that performs all the functions of a lottery by itself or when networked with other similar devices or machines.

2. Statewide ticket sales and online *ticket* sales are permitted upon approval by the Chair, but all lottery ticket sales must be limited to persons who are physically located within this State at the time of purchase.

3. *A qualified professional sports organization may conduct approved online ticket sales in conjunction with a charitable lottery offering a cash prize only:*

(a) On a day that the professional sports team franchise with which the qualified professional sports organization is affiliated is playing a home game in this State; and

(b) If such online ticket sales are restricted to the use of mobile devices in the arena or stadium of the professional sports team franchise or on any parcel of land upon which the arena or stadium is situated.

4. *As used in this section, “qualified professional sports organization” has the meaning ascribed to it in NRS 462.140.*

Sec. 3. This act becomes effective on July 1, 2021.

