

ASSEMBLY BILL NO. 7—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE NEVADA GAMING CONTROL BOARD)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Judiciary

SUMMARY—Revises provisions related to gaming. (BDR 41-279)

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; establishing provisions relating to the approval of games or gambling games; revising the definition of “game” and “gambling game”; revising the definition of “associated equipment” to include inter-casino linked systems; revising, removing and repealing various provisions related to inter-casino linked systems; revising provisions relating to the confidentiality of certain information and data of manufacturers, distributors and operators; requiring certain persons involved in the manufacturing or distribution of associated equipment to register with the Nevada Gaming Control Board; repealing provisions relating to business entities who place race book and sports pool wagers; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law authorizes the Nevada Gaming Commission to issue licenses to
- 2 certain persons for the operation of inter-casino linked systems. (NRS 463.170)
- 3 Existing law requires an operator of an inter-casino linked system to pay an initial
- 4 licensing fee of \$500 and an annual renewal fee of \$500, in addition to the
- 5 proportionate share of certain other licensing fees. (NRS 463.245, 463.370,
- 6 463.3715, 463.375, 463.385, 463.3855) Existing law defines an “operator of an
- 7 inter-casino linked system” as a person who under certain agreements places and
- 8 operates an inter-casino linked system upon the premises of two or more licensed
- 9 gaming establishments and who is authorized to share in the revenue from the
- 10 linked games without needing a license to conduct gaming at the establishment.
- 11 (NRS 463.01805) Moreover, existing law defines an “inter-casino linked system”
- 12 as a network of electronically interfaced similar games located at two or more



licensed gaming establishments and linked to conduct gaming activities, contests or tournaments. (NRS 463.01643)

Existing law defines "associated equipment" as any equipment or certain contrivances, components or machines used remotely or directly in connection with gaming, any game, race book or sports pool that would not otherwise be classified as a gaming device. (NRS 463.0136) Existing law defines "manufacturer" to mean any person who operates, carries on, conducts or maintains any form of manufacture. (NRS 463.0172) Moreover, existing law defines "manufacture" to include: (1) manufacturing, producing, programming, designing, controlling the design of or making modifications to associated equipment; (2) directing or controlling the methods and processes used to design, develop, program, assemble, produce, fabricate, compose and combine the components and other tangible objects of associated equipment; (3) assembling, or controlling the assembly of associated equipment; or (4) assuming responsibility for any such act. (NRS 463.01715)

Section 2 of this bill revises the definition of "associated equipment" to include inter-casino linked systems, thereby making inter-casino linked systems subject to the same regulation and control as associated equipment, except that **section 9** of this bill retains certain provisions related to the authority of the Commission to adopt certain regulations related to inter-casino linked systems. **Sections 1.5, 4, 6-8, 10-13, 15-19, 21 and 23** of this bill remove or repeal all other provisions with individual references to inter-casino linked systems.

Existing law: (1) requires manufacturers and distributors of associated equipment to register with the Nevada Gaming Control Board under certain circumstances; (2) establishes a maximum fee of \$1,000 for any application, issuance or renewal of such registration; and (3) authorizes the Board to require any person who is not otherwise required to be licensed as a manufacturer or distributor of associated equipment, and who is directly or indirectly involved in the sale, transfer or offering for use or play in Nevada of associated equipment, to file an application for a finding of suitability. (NRS 463.665) **Section 20** of this bill: (1) requires persons who have a significant involvement in the manufacturing or distribution of associated equipment to register with the Board under certain circumstances; (2) removes the limitation on the fee that may be charged for the application or renewal of registration for a manufacturer or distributor of associated equipment; and (3) removes the authorization for a finding of suitability for certain persons involved in the sale, transfer or offering for use or play in Nevada of associated equipment.

Existing law defines the terms "game" or "gambling game" to include a game or device approved by the Commission. (NRS 463.0152) **Section 1** of this bill sets forth various procedures relating to a recommendation for and approval of a game or gambling game. Specifically, **section 1** authorizes the Board to recommend a game or gambling game for the approval of the Commission, and authorizes the game or gambling game to be played immediately upon the issuance of the recommendation by the Board, subject to the final disposition of the Commission. **Section 1** requires the Commission to make a final disposition regarding the approval or disapproval of the game or gambling game within 60 days after the issuance of the recommendation by the Board. If the Commission does not make a final disposition within 60 days after the recommendation of the Board is rendered, the game or gambling game is deemed approved for play. **Section 1** also requires the Commission to adopt regulations relating to the approval of games or gambling games. **Section 3** of this bill makes a conforming change to the definition of "game" or "gambling game" relating to the procedures established in **section 1**. **Section 3** also removes certain games from the definition.

Existing law defines the terms "associated equipment," "game" or "gambling game" and "gambling device" to include references to electromechanical



contrivances, components, machines, devices, displays or units, as applicable. (NRS 463.0136, 463.0152, 463.0155) **Sections 2, 3 and 5** of this bill revise these definitions by removing certain electromechanical references.

Existing law provides that information and data obtained by the Board from a manufacturer, distributor or operator relating to the manufacturing of gaming devices is confidential under certain circumstances. (NRS 463.120) **Section 8** of this bill expands such confidentiality provisions to include information and data obtained by a manufacturer, distributor or operator relating to any other technology regulated by the Board.

Existing law authorizes certain business entities to place race book and sports pool wagers under certain circumstances. Existing law also authorizes the Commission to adopt regulations governing the acceptance of such wagers. (NRS 463.800) **Section 23** of this bill repeals this provision. **Section 14** of this bill makes a conforming change to reflect the repealed section.

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

Section 1. Chapter 463 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Except as otherwise provided in this section, a licensee shall not offer a game or gambling game for play unless the game or gambling game has received a recommendation from the Board or an approval of the Commission.

2. The Board may recommend a game or gambling game for the approval of the Commission, and upon the issuance of any such recommendation, a licensee may immediately offer the game or gambling game for play, subject to the final disposition of the Commission pursuant to subsection 3.

3. Not later than 60 days after the issuance of a recommendation of the Board pursuant to subsection 2, the Commission shall render a final disposition relating to the approval or disapproval of the game or gambling game. If the Commission does not render a final disposition within such time, the game or gambling game is deemed to be approved by the Commission.

4. The Commission shall adopt regulations governing the approval of games or gambling games.

Sec. 1.5. 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 establishments which hold restricted and nonrestricted licenses where gaming is conducted and where gambling devices are operated do not unduly impact the quality of life enjoyed by residents of the surrounding neighborhoods, that the rights of the creditors of licensees are protected and that gaming is free from criminal and corruptive elements.

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

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

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

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

3. This section does not:

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

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

Sec. 2. NRS 463.0136 is hereby amended to read as follows:

463.0136 "Associated equipment" means any equipment or mechanical ~~electromechanical~~ or electronic contrivance, component or machine used remotely or directly in connection with 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, *inter-casino linked systems*, 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.

Sec. 3. NRS 463.0152 is hereby amended to read as follows:

463.0152 **1.** “Game” or “gambling game” means any game played with cards, dice, equipment or any mechanical ~~electromechanical~~ or electronic device or machine for money, property, checks, credit or any representative of value, including, without limiting the generality of the foregoing, faro, monte, roulette, keno, bingo, fan-tan, twenty-one, blackjack, seven-and-a-half, ~~big injun,~~ klondike, craps, poker, chuck-a-luck, ~~Chinese chuck-a-luck (dai-shu),~~ wheel of fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, slot machine, any banking or percentage game or any other game or device approved by the Commission, *upon the recommendation of the Board*, ~~but~~ *pursuant to section 1 of this act.*

2. The term does not include games ~~played~~ :

(a) Played with cards in private homes or residences in which no person makes money for operating the game, except as a player ;

~~or~~ ~~games-operated~~

(b) Operated by qualified organizations that are registered by the Chair pursuant to the provisions of chapter 462 of NRS.

Sec. 4. NRS 463.0153 is hereby amended to read as follows:

463.0153 “Gaming” or “gambling” means to deal, operate, carry on, conduct, maintain or expose for play any game as defined in NRS 463.0152 . ~~or to operate an inter-casino linked system.~~

Sec. 5. 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 ~~for electromechanical~~ unit which cannot be demonstrated to have any use other than in a slot machine.

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.

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.

6. A control program.

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

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

9. As used in this section:

(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. 6. 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 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 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. 7. 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; **or**

3. A license for, or the operation of, a slot machine route . ~~for~~
~~4. A license for, or the operation of, an inter-casino linked system.~~

Sec. 8. NRS 463.120 is hereby amended to read as follows:

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

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

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

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

(a) Required by the Board or Commission to be furnished to it under chapters 462 to 466, inclusive, of NRS or any regulations adopted pursuant thereto or which may be otherwise obtained relative to the finances, earnings or revenue of any applicant or licensee;



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

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

(d) Obtained by the Board from a manufacturer, distributor or operator ~~[-, or from an operator of an inter-casino linked system,]~~ relating to ~~the~~ :

(1) The manufacturing of gaming devices ; ~~for the operation of an inter-casino linked system;~~ and

(2) Any other technology regulated by the Board;

(e) Obtained by the Board from a public accommodation facility pursuant to NRS 447.345; or

(f) Prepared or obtained by an agent or employee of the Board or Commission pursuant to an audit, investigation, determination or hearing,

↪ are confidential and may be revealed in whole or in part only in the course of the necessary administration of this chapter or upon the lawful order of a court of competent jurisdiction. The Board and Commission may reveal such information and data to an authorized agent of any agency of the United States Government, any state or any political subdivision of a state or the government of any foreign country. Notwithstanding any other provision of state law, such information may not be otherwise revealed without specific authorization by the Board or Commission.

5. Notwithstanding any other provision of state law, any and all information and data prepared or obtained by an agent or employee of the Board or Commission relating to an application for a license, a finding of suitability or any approval that is required pursuant to the provisions of chapters 462 to 466, inclusive, of NRS or any regulations adopted pursuant thereto, are confidential and absolutely privileged and may be revealed in whole or in part only in the course of the necessary administration of such provisions and with specific authorization and waiver of the privilege by the Board or Commission. The Board and Commission may reveal such information and data to an authorized agent of any agency of the United States Government, any state or any political subdivision of a state or the government of any foreign country.

6. Notwithstanding any other provision of state law, if any applicant or licensee provides or communicates any information and data to an agent or employee of the Board or Commission in connection with its regulatory, investigative or enforcement authority:



(a) All such information and data are confidential and privileged and the confidentiality and privilege are not waived if the information and data are shared or have been shared with an authorized agent of any agency of the United States Government, any state or any political subdivision of a state or the government of any foreign country in connection with its regulatory, investigative or enforcement authority, regardless of whether such information and data are shared or have been shared either before or after being provided or communicated to an agent or employee of the Board or Commission; and

(b) The applicant or licensee has a privilege to refuse to disclose, and to prevent any other person or governmental agent, employee or agency from disclosing, the privileged information and data.

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

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

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

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

11. For the purposes of this section, “information and data” means all information and data in any form, including, without limitation, any oral, written, audio, visual, digital or electronic form, and the term includes, without limitation, any account, book, correspondence, file, message, paper, record, report or other type of document, including, without limitation, any document containing self-evaluative assessments, self-critical analysis or self-appraisals of an applicant’s or licensee’s compliance with statutory or regulatory requirements.

Sec. 9. NRS 463.15993 is hereby amended to read as follows:

463.15993 1. The Commission shall adopt regulations governing the approval and operation of inter-casino linked systems and the ~~licensing~~ **approval** of the operators of such systems.



2. The Commission shall include in the regulations, without limitation:

(a) Standards for the approval and operation of an inter-casino linked system.

(b) Requirements for the:

(1) Operator of an inter-casino linked system to disclose to the Board, the Commission and licensees on a confidential basis the rate of progression of the primary jackpot meter; and

(2) Establishment of a minimum rate of progression of the primary jackpot meter.

(c) Criteria for multiple ~~licensing~~ **approvals** of inter-casino linked systems and the operators of inter-casino linked systems.

(d) Procedures and criteria for the regular auditing of the regulatory compliance of an operator of an inter-casino linked system.

Sec. 10. NRS 463.160 is hereby amended to read as follows:

463.160 1. Except as otherwise provided in subsection ~~44~~ **3** and NRS 462.155 and 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,~~ 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, 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 or registrations 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 ~~44~~ **3**, it is unlawful for any person knowingly to permit any gambling game,



slot machine, gaming device, ~~inter-casino-linked 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.]~~ 3. 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.]~~ 4. 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. 11. NRS 463.170 is hereby amended to read as follows:

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

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

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



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

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

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

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

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

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

(2) From a suitable source.

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

4. An application to receive a license or be found suitable constitutes a request for a determination of the applicant's general character, integrity, and ability to participate or engage in, or be associated with gaming or the operation of a charitable lottery, as appropriate. Any written or oral statement made in the course of an official proceeding of the Board or Commission by any member thereof or any witness testifying under oath which is relevant to the purpose of the proceeding is absolutely privileged and does not impose liability for defamation or constitute a ground for recovery in any civil action.

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

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

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

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

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

6. No limited partnership, except one whose sole limited partner is a publicly traded corporation which has registered with the Commission, or a limited-liability company, or business trust or organization or other association of a quasi-corporate character is eligible to receive or hold any license under this chapter unless all persons having any direct or indirect interest therein of any nature



1 whatever, whether financial, administrative, policymaking or
2 supervisory, are individually qualified to be licensed under the
3 provisions of this chapter.

4 7. The Commission may, by regulation:

5 (a) Limit the number of persons who may be financially
6 interested and the nature of their interest in any corporation, other
7 than a publicly traded corporation, limited partnership, limited-
8 liability company or other organization or association licensed under
9 this chapter; and

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

13 8. Any person granted a license or found suitable by the
14 Commission shall continue to meet the applicable standards and
15 qualifications set forth in this section and any other qualifications
16 established by the Commission by regulation. The failure to
17 continue to meet such standards and qualifications constitutes
18 grounds for disciplinary action.

19 **Sec. 12.** NRS 463.245 is hereby amended to read as follows:

20 463.245 1. Except as otherwise provided in this section:

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

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

29 2. A person who has been issued a nonrestricted gaming
30 license for an operation described in subsection 1 or 2 of NRS
31 463.0177 may establish a sports pool or race book on the premises
32 of the establishment only after obtaining permission from the
33 Commission.

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

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



(b) An establishment at which only a nonrestricted license has been granted for an operation described in subsection 3 ~~for 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.]~~ 6. The provisions of this section do not apply to a license to operate interactive gaming.



Sec. 13. 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 ~~{}~~ or any gaming device which includes a significant modification ~~{for 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 . ~~{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, the Board may order the removal of the gaming device from an establishment.

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

Sec. 14. NRS 463.360 is hereby amended to read as follows:

463.360 1. Conviction by a court of competent jurisdiction of a person for a violation of, an attempt to violate, or a conspiracy to violate any of the provisions of this chapter or of chapter 463B, 464 or 465 of NRS may act as an immediate revocation of all licenses which have been issued to the violator, and, in addition, the court may, upon application of the district attorney of the county or of the Commission, order that no new or additional license under this chapter be issued to the violator, or be issued to any person for the room or premises in which the violation occurred, for 1 year after the date of the revocation.

2. A person who willfully fails to report, pay or truthfully account for and pay over any license fee or tax imposed by the provisions of this chapter, or willfully attempts in any manner to evade or defeat any such license fee, tax or payment thereof is guilty of a category C felony and shall be punished as provided in NRS 193.130. In addition to any other penalty, the court shall order the person to pay restitution.

3. Except as otherwise provided in subsection 4, a person who willfully violates, attempts to violate, or conspires to violate any of the provisions of subsection 1 of NRS 463.160 ~~{for NRS 463.800}~~ is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years, by a fine of not more than \$50,000, or by both fine and imprisonment.

4. A licensee who puts additional games or slot machines into play or displays additional games or slot machines in a public area without first obtaining all required licenses and approval is subject



only to the penalties provided in NRS 463.270 and 463.310 and in any applicable ordinance of the county, city or town.

5. A person who willfully violates any provision of a regulation adopted pursuant to NRS 463.125 is guilty of a category C felony and shall be punished as provided in NRS 193.130.

6. The violation of any of the provisions of this chapter, the penalty for which is not specifically fixed in this chapter, is a gross misdemeanor.

Sec. 15. NRS 463.370 is hereby amended to read as follows:

463.370 1. Except as otherwise provided in NRS 463.373, the Commission shall charge and collect from each licensee a license fee based upon all the gross revenue of the licensee as follows:

(a) Three and one-half percent of all the gross revenue of the licensee which does not exceed \$50,000 per calendar month;

(b) Four and one-half percent of all the gross revenue of the licensee which exceeds \$50,000 per calendar month and does not exceed \$134,000 per calendar month; and

(c) Six and three-quarters percent of all the gross revenue of the licensee which exceeds \$134,000 per calendar month.

2. Unless the licensee has been operating for less than a full calendar month, the Commission shall charge and collect the fee prescribed in subsection 1, based upon the gross revenue for the preceding calendar month, on or before the 15th day of the following month. Except for the fee based on the first full month of operation, the fee is an estimated payment of the license fee for the third month following the month whose gross revenue is used as its basis.

3. When a licensee has been operating for less than a full calendar month, the Commission shall charge and collect the fee prescribed in subsection 1, based on the gross revenue received during that month, on or before the 15th day of the following calendar month of operation. After the first full calendar month of operation, the Commission shall charge and collect the fee based on the gross revenue received during that month, on or before the 15th day of the following calendar month. The payment of the fee due for the first full calendar month of operation must be accompanied by the payment of a fee equal to three times the fee for the first full calendar month. This additional amount is an estimated payment of the license fees for the next 3 calendar months. Thereafter, each license fee must be paid in the manner described in subsection 2. Any deposit held by the Commission on July 1, 1969, must be treated as an advance estimated payment.

4. All revenue received from any game or gaming device which is operated on the premises of a licensee, regardless of



whether any portion of the revenue is shared with any other person, must be attributed to the licensee for the purposes of this section and counted as part of the gross revenue of the licensee. Any other person ~~[, including, without limitation, an operator of an inter-casino linked system,]~~ who is authorized to receive a share of the revenue from any game ~~[,] or~~ gaming device ~~[or inter-casino linked system]~~ that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the 15th day of each calendar month. ~~[The proportionate share of an operator of an inter-casino linked system must be based on all compensation and other consideration received by the operator of the inter-casino linked system, including, without limitation, amounts that accrue to the meter of the primary progressive jackpot of the inter-casino linked system and amounts that fund the reserves of such a jackpot, subject to all appropriate adjustments for deductions, credits, offsets and exclusions that the licensee is entitled to take or receive pursuant to the provisions of this chapter.]~~ A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any game ~~[,] or~~ gaming device ~~[or inter-casino linked system]~~ that is operated on the premises of the licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.

5. ~~[An operator of an inter-casino linked system shall not enter into any agreement or arrangement with a licensee that provides for the operator of the inter-casino linked system to be liable to the licensee for less than its full proportionate share of the license fees paid by the licensee pursuant to this section, whether accomplished through a rebate, refund, charge back or otherwise.]~~

~~—6.]~~ Any person required to pay a fee pursuant to this section shall file with the Commission, on or before the 15th day of each calendar month, a report showing the amount of all gross revenue received during the preceding calendar month. Each report must be accompanied by:

(a) The fee due based on the revenue of the month covered by the report; and

(b) An adjustment for the difference between the estimated fee previously paid for the month covered by the report, if any, and the fee due for the actual gross revenue earned in that month. If the adjustment is less than zero, a credit must be applied to the estimated fee due with that report.

~~[7.]~~ 6. If the amount of license fees required to be reported and paid pursuant to this section is later determined to be greater or less than the amount actually reported and paid, the Commission shall:



(a) Charge and collect the additional license fees determined to be due, with interest thereon until paid; or

(b) Refund any overpayment to the person entitled thereto pursuant to this chapter, with interest thereon.

↪ Interest pursuant to paragraph (a) must be computed at the rate prescribed in NRS 17.130 from the first day of the first month following the due date of the additional license fees until paid. Interest pursuant to paragraph (b) must be computed at one-half the rate prescribed in NRS 17.130 from the first day of the first month following the date of overpayment until paid.

~~§ 7.~~ Failure to pay the fees provided for in this section shall be deemed a surrender of the license at the expiration of the period for which the estimated payment of fees has been made, as established in subsection 2.

~~§ 8.~~ Except as otherwise provided in NRS 463.386, the amount of the fee prescribed in subsection 1 must not be prorated.

~~§ 9.~~ Except as otherwise provided in NRS 463.386, if a licensee ceases operation, the Commission shall:

(a) Charge and collect the additional license fees determined to be due with interest computed pursuant to paragraph (a) of subsection ~~7~~ 6; or

(b) Refund any overpayment to the licensee with interest computed pursuant to paragraph (b) of subsection ~~7~~ 6,

↪ based upon the gross revenue of the licensee during the last 3 months immediately preceding the cessation of operation, or portions of those last 3 months.

~~§ 10.~~ If in any month, the amount of gross revenue is less than zero, the licensee may offset the loss against gross revenue in succeeding months until the loss has been fully offset.

~~§ 11.~~ If in any month, the amount of the license fee due is less than zero, the licensee is entitled to receive a credit against any license fees due in succeeding months until the credit has been fully offset.

Sec. 16. NRS 463.3715 is hereby amended to read as follows:

463.3715 1. In calculating gross revenue, any prizes, premiums, drawings, benefits or tickets that are redeemable for money or merchandise or other promotional allowance, except money or tokens paid at face value directly to a patron as the result of a specific wager, must not be deducted as losses from winnings at any game except a slot machine.

2. In calculating gross revenue, the amount of cash paid to fund periodic payments may be deducted as losses from winnings for any game.

3. In calculating gross revenue from slot machines, keno and bingo, the actual cost to the licensee of any personal property



distributed to a patron as the result of a specific legitimate wager may be deducted as a loss, but not travel expenses, food, refreshments, lodging or services.

4. In calculating gross revenue from bingo, a licensee who provides a patron with additional play at bingo as the result of an initial wager may deduct as losses from winnings all money or tokens paid directly to that patron as a result of such additional play.

~~{5. In calculating gross revenue, a licensee may deduct its pro rata share of a payout from a game played in an inter-casino linked system except for a payout made in conjunction with a card game. The amount of the deduction must be determined based upon the written agreement among the licensed gaming establishments participating in the inter-casino linked system and the operator of the system. All cash prizes and the value of noncash prizes awarded during a contest or tournament conducted in conjunction with an inter-casino linked system are also deductible on a pro rata basis to the extent of the compensation received for the right to participate in that contest or tournament. The deductions may be taken only by those participating licensed gaming establishments that held an active gaming license at any time during the month in which the payout was awarded.}~~

Sec. 17. NRS 463.375 is hereby amended to read as follows:

463.375 1. In addition to any other state gaming license fees provided for in this chapter, before issuing a state gaming license to an applicant for a nonrestricted operation, the Commission shall charge and collect from the applicant a license fee of \$80 for each slot machine for each calendar year.

2. The Commission shall charge and collect the fee prescribed in subsection 1, at the rate of \$20 for each slot machine for each calendar quarter:

(a) On or before the last day of the last month in a calendar quarter, for the ensuing calendar quarter, from a licensee whose operation is continuing.

(b) In advance from a licensee who begins operation or puts additional slot machines into play during a calendar quarter.

3. Except as provided in NRS 463.386, no proration of the quarterly amount prescribed in subsection 2 may be allowed for any reason.

4. The operator of the location where slot machines are situated shall pay the fee prescribed in subsection 1 upon the total number of slot machines situated in that location, whether the machines are owned by one or more licensee-owners.

5. Any other person ~~{, including, without limitation, an operator of an inter-casino linked system,}~~ who is authorized to receive a share of the revenue from any slot machine that is operated



on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the dates set forth in subsection 2. A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any slot machine that is operated on the premises of a licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.

Sec. 18. NRS 463.385 is hereby amended to read as follows:

463.385 1. In addition to any other license fees and taxes imposed by this chapter, there is hereby imposed upon each slot machine operated in this State an annual excise tax of \$250. If a slot machine is replaced by another, the replacement is not considered a different slot machine for the purpose of imposing this tax.

2. The Commission shall:

(a) Collect the tax annually on or before June 30, as a condition precedent to the issuance of a state gaming license to operate any slot machine for the ensuing fiscal year beginning July 1, from a licensee whose operation is continuing.

(b) Collect the tax in advance from a licensee who begins operation or puts additional slot machines into play during the fiscal year, prorated monthly after July 31.

(c) Include the proceeds of the tax in its reports of state gaming taxes collected.

3. Any other person ~~[, including, without limitation, an operator of an inter-casino linked system,]~~ who is authorized to receive a share of the revenue from any slot machine that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the license fees paid by the licensee pursuant to this section and shall remit or credit the full proportionate share to the licensee on or before the dates set forth in subsection 2. A licensee is not liable to any other person authorized to receive a share of the licensee's revenue from any slot machine that is operated on the premises of a licensee for that person's proportionate share of the license fees to be remitted or credited to the licensee by that person pursuant to this section.

4. The Commission shall pay over the tax as collected to the State Treasurer to be deposited to the credit of the State Education Fund, and of the Capital Construction Fund for Higher Education and the Special Capital Construction Fund for Higher Education, which are hereby created in the State Treasury as special revenue funds, in the amounts and to be expended only for the purposes specified in this section, or for any other purpose authorized by the Legislature if sufficient money is available in the Capital



1 Construction Fund for Higher Education and the Special Capital
2 Construction Fund for Higher Education on July 31 of each year to
3 pay the principal and interest due in that fiscal year on the bonds
4 described in subsection 6.

5 5. During each fiscal year, the State Treasurer shall deposit the
6 tax paid over to him or her by the Commission as follows:

7 (a) The first \$5,000,000 of the tax in the Capital Construction
8 Fund for Higher Education;

9 (b) Twenty percent of the tax in the Special Capital Construction
10 Fund for Higher Education; and

11 (c) The remainder of the tax in the State Education Fund.

12 6. There is hereby appropriated from the balance in the Special
13 Capital Construction Fund for Higher Education on July 31 of each
14 year the amount necessary to pay the principal and interest due in
15 that fiscal year on the bonds issued pursuant to section 5 of chapter
16 679, Statutes of Nevada 1979, as amended by chapter 585, Statutes
17 of Nevada 1981, at page 1251, the bonds authorized to be issued by
18 section 2 of chapter 643, Statutes of Nevada 1987, at page 1503, the
19 bonds authorized to be issued by section 2 of chapter 614, Statutes
20 of Nevada 1989, at page 1377, the bonds authorized to be issued by
21 section 2 of chapter 718, Statutes of Nevada 1991, at page 2382, the
22 bonds authorized to be issued by section 2 of chapter 629, Statutes
23 of Nevada 1997, at page 3106, and the bonds authorized to be issued
24 by section 2 of chapter 514, Statutes of Nevada 2013, at page 3391.
25 If in any year the balance in that Fund is not sufficient for this
26 purpose, the remainder necessary is hereby appropriated on July 31
27 from the Capital Construction Fund for Higher Education. The
28 balance remaining unappropriated in the Capital Construction Fund
29 for Higher Education on August 1 of each year and all amounts
30 received thereafter during the fiscal year must be transferred to the
31 State General Fund for the support of higher education. If bonds
32 described in this subsection are refunded and if the amount required
33 to pay the principal of and interest on the refunding bonds in any
34 fiscal year during the term of the bonds is less than the amount that
35 would have been required in the same fiscal year to pay the
36 principal of and the interest on the original bonds if they had not
37 been refunded, there is appropriated to the Nevada System of Higher
38 Education an amount sufficient to pay the principal of and interest
39 on the original bonds, as if they had not been refunded. The amount
40 required to pay the principal of and interest on the refunding bonds
41 must be used for that purpose from the amount appropriated. The
42 amount equal to the saving realized in that fiscal year from the
43 refunding must be used by the Nevada System of Higher Education
44 to defray, in whole or in part, the expenses of operation and



1 maintenance of the facilities acquired in part with the proceeds of
2 the original bonds.

3 7. After the requirements of subsection 6 have been met for
4 each fiscal year, when specific projects are authorized by the
5 Legislature, money in the Capital Construction Fund for Higher
6 Education and the Special Capital Construction Fund for Higher
7 Education must be transferred by the State Controller and the State
8 Treasurer to the State Public Works Board for the construction of
9 capital improvement projects for the Nevada System of Higher
10 Education, including, but not limited to, capital improvement
11 projects for the community colleges of the Nevada System of
12 Higher Education. As used in this subsection, “construction”
13 includes, but is not limited to, planning, designing, acquiring and
14 developing a site, construction, reconstruction, furnishing,
15 equipping, replacing, repairing, rehabilitating, expanding and
16 remodeling. Any money remaining in either Fund at the end of a
17 fiscal year does not revert to the State General Fund but remains in
18 those Funds for authorized expenditure.

19 8. The money deposited in the State Education Fund under this
20 section must be apportioned as provided in NRS 387.030 among the
21 several school districts and charter schools of the State at the times
22 and in the manner provided by law.

23 9. The Board of Regents of the University of Nevada may use
24 any money in the Capital Construction Fund for Higher Education
25 and the Special Capital Construction Fund for Higher Education for
26 the payment of interest and amortization of principal on bonds and
27 other securities, whether issued before, on or after July 1, 1979, to
28 defray in whole or in part the costs of any capital project authorized
29 by the Legislature.

30 **Sec. 19.** NRS 463.3855 is hereby amended to read as follows:

31 463.3855 1. In addition to any other state license fees
32 imposed by this chapter, the Commission shall, before issuing a
33 state gaming license to an operator of a slot machine route , ~~for an~~
34 ~~operator of an inter-casino-linked system,~~ charge and collect an
35 annual license fee of \$500.

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

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



Sec. 20. 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) Is otherwise determined by the Board to create a risk to the integrity of gaming and protection of the public if not regulated;

(b) *Require persons who have a significant involvement in the manufacturing or distribution of associated equipment, as determined by the Commission, to register with the Board;*

(c) 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

~~[(e)] (d) Establish fees for the application [f, issuance] and renewal of the registration required pursuant to this section . [f, 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.]~~ 6. Any person who manufactures or distributes associated equipment who has complied with all applicable regulations adopted by the Commission before October 1, 2015, shall be deemed to be registered pursuant to this section.

Sec. 21. 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]~~ 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]~~ 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]~~ 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.



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

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

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

14 7. The Commission shall adopt regulations which:

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

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

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

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

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

43 (f) Provide the standards and procedures relating to the filing of
44 an application for a finding of suitability pursuant to this section and
45 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]~~ 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]~~ 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. 22. (Deleted by amendment.)

Sec. 22.5. Section 1 of this act applies to any game or gambling game which has not been approved on or after July 1, 2021.

Sec. 23. NRS 463.01805, 463.306 and 463.800 are hereby repealed.

Sec. 24. This act becomes effective on July 1, 2021.



TEXT OF REPEALED SECTIONS

463.01805 “Operator of an inter-casino linked system” defined.

463.01805 “Operator of an inter-casino linked system” means a person who, under any agreement whereby consideration is paid or payable for the right to place an inter-casino linked system, engages in the business of placing and operating an inter-casino linked system upon the premises of two or more licensed gaming establishments, and who is authorized to share in the revenue from the linked games without having been individually licensed to conduct gaming at the establishment.

463.306 Availability of inter-casino linked system to certain nonrestricted licensees.

463.306 1. If an operator of an inter-casino linked system makes the inter-casino linked system available to a nonrestricted licensee, other than during a trial period, the operator shall also make the inter-casino linked system available to any other eligible nonrestricted licensee subject to the provisions of this chapter and reasonable production and delivery schedules. For purposes of this section, a nonrestricted licensee shall be deemed to be eligible if the licensee is a Group I licensee or a Group II licensee, as determined pursuant to the regulations of the Commission and otherwise meets the requirements of the Commission regarding locations for games that are part of an inter-casino linked system.

2. The provisions of subsection 1 do not prevent the imposition by an operator of an inter-casino linked system of different terms and conditions, including prices, based on:

(a) The quantity or volume of gaming devices connected to an inter-casino linked system that are sold or leased to a licensee or to affiliated licensees by the operator; or

(b) Credit considerations.

463.800 Requirements; records of business entity; prohibited acts; regulations.

463.800 1. A race book or sports pool may accept wagers from a business entity if the business entity has established a wagering account with the race book or sports pool and provided the information required pursuant to subsection 2. The business entity shall:

(a) Be deemed to be a patron for the purposes of this chapter and chapter 465 of NRS.

(b) Place wagers in compliance with all applicable state and federal laws.



2. A business entity that wishes to establish a wagering account with a race book or sports pool shall provide to the race book or sports pool:

(a) The name, residential address, copy of a valid photo identification which evidences that the person is at least 21 years of age, and social security number or individual taxpayer identification number, of each of the business entity's equity owners, holders of indebtedness, directors, officers, managers and partners, anyone entitled to payments based on the profits or revenues and any designated individuals;

(b) The business entity's formation documents and all filings with the Secretary of State pursuant to title 7 of NRS;

(c) Any other documentation or information the Commission may require; and

(d) Any other documentation or information the race book or sports pool may require.

3. A business entity shall update the information provided pursuant to subsection 2 within 5 business days after any change in the information or status.

4. A business entity shall:

(a) In addition to the books and records required by law to be kept in this State, keep in this State originals or copies of the records received from the race book or sports pool for all wagers placed;

(b) Maintain an account in this State with a bank or other financial institution having a principal office, branch or agency located in this State, from which it shall transfer and receive all money used in wagering with an operator of a race book or sports pool; and

(c) Make any records pursuant to this subsection available for review by the Board or its agents.

5. Notwithstanding the provisions of NRS 463.350, a race book or sports pool may accept wagers from a designated individual of a business entity which has established a wagering account with the race book or sports pool.

6. A business entity and any designated individual that places a wager with a race book or sports pool pursuant to this section must not be considered to be engaged in the unlawful accepting or facilitating of any bet or wager.

7. It is unlawful for any person either solely or in conjunction with others:

(a) To knowingly pay or distribute profits or any compensation to a designated individual or equity owner who is not disclosed to the race book or sports pool pursuant to subsection 2;

(b) To knowingly pay or distribute a percentage of revenue derived from the wagering activity of a business entity to a person



who is not disclosed to the race book or sports pool pursuant to subsection 2;

(c) To wager with money received from a person who is not disclosed to the race book or sports pool pursuant to subsection 2;

(d) To place a wager on behalf of a person who is not disclosed to the race book or sports pool pursuant to subsection 2; or

(e) To knowingly submit any false information as required by this section.

8. The Commission may, with the advice and assistance of the Board, adopt regulations as it deems necessary to carry out the provisions of this section.

9. As used in this section:

(a) “Business entity” means an entity organized and existing under the laws of this State.

(b) “Designated individual” means a person listed as an officer, director, partner or manager of a business entity in the business entity’s filings with the Secretary of State pursuant to title 7 of NRS, and any other natural person authorized by the business entity in writing to place wagers.

