

ASSEMBLY BILL NO. 8—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE NEVADA GAMING CONTROL BOARD)

PREFILED NOVEMBER 18, 2020

Referred to Committee on Judiciary

SUMMARY—Makes various changes relating to gaming.
(BDR 41-278)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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

AN ACT relating to gaming; revising certain definitions relating to gaming; requiring additional persons to register with the Nevada Gaming Control Board; revising provisions governing entry fees for contests and tournaments and compensation for online interactive gaming in the calculation of the monthly gaming license fee based on the gross revenue of the license holder; exempting certain officers and employees of the Board from the provisions governing the State Personnel System; authorizing the Nevada Gaming Commission to adopt regulations governing the use of electronic signatures for credit instruments; revising provisions governing certain fees collected upon the conclusion of a gaming operation; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law defines the term "credit instrument" as a writing for certain
2 purposes evidencing a gaming debt owed to a person who holds a nonrestricted
3 license. (NRS 463.01467) **Section 1** of this bill revises the definition of credit
4 instrument to mean a record evidencing such a debt. Existing law requires gaming
5 employees to register with the Nevada Gaming Control Board, including operators
6 of certain call centers and information services. (NRS 463.0157, 463.335) **Section**
7 **2** of this bill expands the persons who are required to register with the Board to
8 include: (1) employees of certain persons registered to operate as cash access and
9 wagering instrument service providers; and (2) certain other persons designated by
10 the Nevada Gaming Commission by regulation.



Existing law requires a credit instrument to be signed by a patron before a licensee may accept the instrument. (NRS 463.368) **Section 5** of this bill authorizes the Commission to promulgate regulations to allow a licensee to accept an electronic signature from a patron on a credit instrument. Existing law defines the term "slot machine wagering voucher" to mean a printed wagering instrument and requires such a voucher to be redeemed by a patron before the expiration date printed thereon under certain circumstances. (NRS 463.369) **Section 6** of this bill: (1) replaces the term "slot machine wagering voucher" with the term "wagering voucher"; (2) expands the definition of wagering voucher to include a digital representation of the wagering instrument; and (3) requires a wagering voucher to be redeemed by a patron before the expiration date assigned to the voucher under certain circumstances. **Section 8** of this bill makes a conforming change to reflect the replaced term.

Existing law specifies that elected officers and certain employees in the unclassified and classified service in the Executive Department of the State Government must be paid on a salary basis, are not entitled to overtime compensation and are not subject to disciplinary suspension for less than 1 week. (NRS 284.148) Certain employees of the Board are subject to the same limitations under existing law. (NRS 463.080) **Section 4** of this bill eliminates the applicability of such limitations to those employees of the Board, thereby making those employees subject solely to the requirements of the comprehensive plan that the Board is required to establish under existing law governing employment, job classifications and performance standards and the retention and discharge of its employees.

Existing law requires each licensee to pay a monthly license fee to the Commission which consists of a certain percentage of the gross revenue of the licensee. (NRS 463.370) Existing law defines "gross revenue" as the total of certain enumerated gaming incomes minus certain enumerated deductions. (NRS 463.0161) **Section 3** of this bill: (1) provides that gross revenue includes cash collected as entry fees for the right to participate in contests and tournaments; (2) removes compensation received for conducting contests and tournaments held in conjunction with interactive gaming from the definition of gross revenue; and (3) revises provisions governing certain deductions from gross revenue.

Existing law requires each licensee who concludes a gaming operation to pay a fee: (1) on the final tax return of the licensee, based on the outstanding value of collectible credit instruments owed; or (2) monthly based on all compensation received in payment of any credit instrument. (NRS 463.3857) **Section 7** of this bill removes the monthly payment option.

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

Section 1. NRS 463.01467 is hereby amended to read as follows:

463.01467 "Credit instrument" means a ~~twriting~~ **record** which evidences a gaming debt owed to a person who holds a nonrestricted license at the time the debt is created, and includes any ~~twriting~~ **record** taken in consolidation, redemption or payment of a previous credit instrument.



Sec. 2. 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 of a person required by paragraph (e) of subsection 1 of NRS 463.160 to be registered to operate as a cash access and wagering instrument service provider;*

(j) 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;

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

~~(l)~~ (l) 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;

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

~~(n)~~ (n) 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;



1 ~~[(a)]~~ (o) Floorpersons;
2 ~~[(o)]~~ (p) Hosts or other persons empowered to extend credit or
3 complimentary services;
4 ~~[(p)]~~ (q) Keno runners;
5 ~~[(q)]~~ (r) Keno writers;
6 ~~[(r)]~~ (s) Machine mechanics;
7 ~~[(s)]~~ (t) Odds makers and line setters;
8 ~~[(t)]~~ (u) Security personnel;
9 ~~[(u)]~~ (v) Shift or pit bosses;
10 ~~[(v)]~~ (w) Shills;
11 ~~[(w)]~~ (x) Supervisors or managers;
12 ~~[(x)]~~ (y) Ticket writers;
13 ~~[(y)]~~ (z) Employees of a person required by NRS 463.160 to be
14 licensed to operate an information service;

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

20 ~~—(aa)]~~ (bb) Temporary or contract employees hired by a licensee
21 to perform a function related to gaming ~~[(b)]~~; and

22 (cc) Other persons whose duties are similar to the
23 classifications set forth in paragraphs (a) to (bb), inclusive, as the
24 Commission may from time to time designate by regulation.

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

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

32 **Sec. 3.** NRS 463.0161 is hereby amended to read as follows:

33 463.0161 1. “Gross revenue” means the total of all:

34 (a) Cash received as winnings;

35 (b) Cash received as entry fees for *the right to participate in*
36 contests and tournaments;

37 (c) Cash received in payment for credit extended by a licensee to
38 a patron for purposes of gaming; and

39 (d) Compensation received for conducting any game ~~[(, or any~~
40 ~~contest or tournament in conjunction with interactive gaming.)]~~ in
41 which the licensee is not party to a wager,

42 ➤ less the total of all cash paid out as losses to patrons, all cash and
43 the cost of any noncash prizes paid out to participants in contests or
44 tournaments not to exceed the total ~~[(compensation)]~~ *cash or cash*
45 *equivalents* received for the right to participate in the contests or



1 tournaments, those amounts paid to fund periodic payments and any
2 other items made deductible as losses by NRS 463.3715.

3 2. The term does not include:

4 (a) Counterfeit facsimiles of money, chips, tokens, wagering
5 instruments or wagering credits;

6 (b) Coins of other countries which are received in gaming
7 devices;

8 (c) Any portion of the face value of any chip, token or other
9 representative of value won by a licensee from a patron for which
10 the licensee can demonstrate that it or its affiliate has not received
11 cash;

12 (d) Cash taken in fraudulent acts perpetrated against a licensee
13 for which the licensee is not reimbursed;

14 (e) Uncollected baccarat commissions; or

15 (f) Cash provided by the licensee to a patron and subsequently
16 won by the licensee, for which the licensee can demonstrate that it
17 or its affiliate has not been reimbursed.

18 3. As used in this section, "baccarat commission" means:

19 (a) A fee assessed by a licensee on cash paid out as a loss to a
20 patron at baccarat to modify the odds of the game; or

21 (b) A rate or fee charged by a licensee for the right to participate
22 in a baccarat game.

23 **Sec. 4.** NRS 463.080 is hereby amended to read as follows:

24 463.080 1. The Board may:

25 (a) Establish, and from time to time alter, such a plan of
26 organization as it may deem expedient.

27 (b) Acquire such furnishings, equipment, supplies, stationery,
28 books, motor vehicles and other things as it may deem necessary or
29 desirable in carrying out its functions.

30 (c) Incur such other expenses, within the limit of money
31 available to it, as it may deem necessary.

32 2. Except as otherwise provided in this chapter, all costs of
33 administration incurred by the Board must be paid out on claims
34 from the State General Fund in the same manner as other claims
35 against the State are paid.

36 3. The Board shall, within the limits of legislative
37 appropriations or authorizations, employ and fix the salaries of or
38 contract for the services of such professional, technical and
39 operational personnel and consultants as the execution of its duties
40 and the operation of the Board and Commission may require.

41 4. The members of the Board and all the personnel of the
42 Board, except clerical employees , ~~and employees described in~~
43 ~~NRS 284.148,~~ are exempt from the provisions of chapter 284 of
44 NRS. They are entitled to such leaves of absence as the Board
45 prescribes, but such leaves must not be of lesser duration than those



provided for other state employees pursuant to chapter 284 of NRS.
~~[Employees described in NRS 284.148 are subject to the limitations specified in that section.]~~

5. Clerical employees of the Board are in the classified service but are exempt from the provisions of chapter 284 of NRS for purposes of removal. They are entitled to receive an annual salary which must be fixed in accordance with the pay plan adopted under the provisions of that chapter.

6. The Board shall establish, and modify as necessary, a comprehensive plan governing employment, job classifications and performance standards, and retention or discharge of employees to assure that termination or other adverse action is not taken against such employees except for cause. The plan must include provisions for hearings in personnel matters and for review of adverse actions taken in those matters.

Sec. 5. NRS 463.368 is hereby amended to read as follows:

463.368 1. A credit instrument accepted on or after June 1, 1983, and the debt that the credit instrument represents are valid and may be enforced by legal process.

2. A licensee or a person acting on behalf of a licensee may accept an incomplete credit instrument which:

(a) Is signed by a patron; and

(b) States the amount of the debt in figures,

➤ and may complete the instrument as is necessary for the instrument to be presented for payment.

3. A licensee or person acting on behalf of a licensee:

(a) May accept a credit instrument that is payable to an affiliated company or may complete a credit instrument in the name of an affiliated company as payee if the credit instrument otherwise complies with this subsection and the records of the affiliated company pertaining to the credit instrument are made available to agents of the Board upon request.

(b) May accept a credit instrument either before, at the time or after the patron incurs the debt. The credit instrument and the debt that the credit instrument represents are enforceable without regard to whether the credit instrument was accepted before, at the time or after the debt is incurred.

4. This section does not prohibit the establishment of an account by a deposit of cash, recognized traveler's check, or any other instrument which is equivalent to cash.

5. If a credit instrument is lost or destroyed, the debt represented by the credit instrument may be enforced if the licensee or person if acting on behalf of the licensee can prove the existence of the credit instrument.



6. A patron's claim of having a mental or behavioral disorder involving gambling:

(a) Is not a defense in any action by a licensee or a person acting on behalf of a licensee to enforce a credit instrument or the debt that the credit instrument represents.

(b) Is not a valid counterclaim to such an action.

7. Any person who violates the provisions of this section is subject only to the penalties provided in NRS 463.310 to 463.318, inclusive. The failure of a person to comply with the provisions of this section or the regulations of the Commission does not invalidate a credit instrument or affect the ability to enforce the credit instrument or the debt that the credit instrument represents.

8. The Commission may adopt regulations prescribing the conditions under which a credit instrument may be redeemed or presented to a bank or credit union for collection or payment.

9. The Commission may adopt regulations:

(a) Allowing a licensee to accept an electronic signature from a patron on a credit instrument; and

(b) Prescribing the conditions for the validity of such an electronic signature.

Sec. 6. NRS 463.369 is hereby amended to read as follows:

463.369 1. Whenever a nonrestricted licensee owes a patron a specific amount of money as the result of a ~~{slot machine}~~ wagering voucher which remains unpaid because of the failure of the patron to claim the value, regardless of whether the identity of the patron is known, the nonrestricted licensee shall maintain a record of the obligation in accordance with the regulations adopted by the Commission.

2. Unless the Commission specifies by regulation a shorter period in which a ~~{slot machine}~~ wagering voucher must be redeemed, upon the expiration date ~~{printed on}~~ **assigned to** a ~~{slot machine}~~ wagering voucher issued in this State or 180 days after a wager is placed, whichever period is less, the obligation of the nonrestricted licensee to pay the patron any value remaining on a ~~{slot machine}~~ wagering voucher expires.

3. Each nonrestricted licensee shall, for the previous calendar quarter, report to the Commission on or before the 15th day of the month following that calendar quarter any ~~{slot machine}~~ wagering voucher that expires pursuant to this section. The licensee shall remit to the Commission with each report payment equal to 75 percent of the value of the expired ~~{slot machine}~~ wagering vouchers included on the report.

4. The Commission shall pay over all money collected pursuant to this section to the State Treasurer to be deposited for credit to the State General Fund.



5. The Commission shall adopt regulations prescribing procedures which nonrestricted licensees must follow to comply with the provisions of this section.

6. As used in this section, ~~["slot machine wagering"]~~ *"wagering voucher"* means a printed wagering instrument, *or digital representation thereof*, issued by a gaming establishment operating under a nonrestricted license, that has a fixed dollar wagering value which can only be used to acquire an equivalent value of cashable credits or cash.

Sec. 7. NRS 463.3857 is hereby amended to read as follows:

463.3857 1. Except as otherwise provided in NRS 463.386, the Commission shall charge and collect from each licensee who concludes a gaming operation ~~the~~:

~~—(a) A fee, to be included on the final tax return at the close of operations and derived from application of the rates and monetary limits set forth in NRS 463.370, based on the total outstanding value of collectible credit instruments received as a result of that gaming operation which are held by the licensee and remain unpaid on the last tax day.~~

~~—(b) A monthly fee on all cash or other compensation received by the licensee or any affiliate of the licensee in payment of any credit instrument received as a result of that gaming operation which is held by the licensee or any affiliate of the licensee and remains unpaid on the last tax day.~~

~~—2. The monthly fee must be:~~

~~—(a) Calculated by applying to the amount of cash or other compensation received in payment of a credit instrument during the month a rate derived from the application of the rates and monetary limits set forth in NRS 463.370 to the licensee's experience in receiving payment of credit instruments before concluding gaming operations; and~~

~~—(b) Collected and refunded pursuant to the regulations adopted by the Commission.~~

~~—3. To secure payment of the monthly fee, the licensee must make a cash deposit or post and maintain a surety bond or other acceptable form of security with the Commission in an amount determined by applying the rate derived pursuant to paragraph (a) of subsection 2 to the value of all collectible credit instruments.~~

~~—4.~~ **2.** As used in this section:

(a) "Last tax day" means the last day for which a licensee is legally obligated to pay the fees imposed pursuant to NRS 463.370.

(b) "Value of collectible credit instruments" means the amount of cash or other compensation the licensee may reasonably expect to receive in payment of unpaid credit instruments after conclusion of



1 the licensee's gaming operation, taking into account all relevant
2 factors.

3 **Sec. 8.** NRS 120A.135 is hereby amended to read as follows:

4 120A.135 1. The provisions of this chapter do not apply to:

5 (a) Gaming chips or tokens which are not redeemed at an
6 establishment.

7 (b) Intersection improvement project proceeds.

8 2. As used in this section:

9 (a) "Establishment" has the meaning ascribed to it in
10 NRS 463.0148.

11 (b) "Gaming chip or token" means any object which may be
12 redeemed at an establishment for cash or any other representative of
13 value other than a ~~slot-machine~~ wagering voucher as defined in
14 NRS 463.369.

15 (c) "Intersection improvement project" means construction or
16 improvements relating to intersections, including, without
17 limitation, the construction, installation or upgrade of traffic control
18 devices, turn lanes and appurtenances.

19 (d) "Intersection improvement project proceeds" means amounts
20 held by this State or an agency or political subdivision of this State
21 that were paid to the State or the agency or political subdivision for
22 the purpose of providing security for, or to fund the construction of,
23 an intersection improvement project.

24 **Sec. 9.** This act becomes effective on July 1, 2021.

