

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON JUDICIARY**

**Eighty-First Session
February 23, 2021**

The Committee on Judiciary was called to order by Chairman Steve Yeager at 8:02 a.m. on Tuesday, February 23, 2021, Online. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/81st2021.

COMMITTEE MEMBERS PRESENT:

Assemblyman Steve Yeager, Chairman
Assemblywoman Rochelle T. Nguyen, Vice Chairwoman
Assemblywoman Shannon Bilbray-Axelrod
Assemblywoman Lesley E. Cohen
Assemblywoman Cecelia González
Assemblywoman Alexis Hansen
Assemblywoman Melissa Hardy
Assemblywoman Heidi Kasama
Assemblywoman Lisa Krasner
Assemblywoman Elaine Marzola
Assemblyman C.H. Miller
Assemblyman P.K. O'Neill
Assemblyman David Orentlicher
Assemblywoman Shondra Summers-Armstrong
Assemblyman Jim Wheeler

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Diane C. Thornton, Committee Policy Analyst
Ashlee Kalina, Assistant Committee Policy Analyst
Bradley A. Wilkinson, Committee Counsel
Bonnie Borda Hoffecker, Committee Manager
Karyn Werner, Committee Secretary
Melissa Loomis, Committee Assistant

OTHERS PRESENT:

Phil Katsaros, Member, Nevada Gaming Control Board
Michael Morton, Senior Research Specialist, Nevada Gaming Control Board
Barry Duncan, Government Affairs Representative and Analyst, Nevada Taxpayers Association
Annemarie Grant, Private Citizen, Quincy, Massachusetts

Chairman Yeager:

[Roll was taken. Committee rules and protocol were explained.] We have a quorum. We will move to our two agenda items; we have two bills. At this time, I will formally open the hearing on Assembly Bill 7. There is a proposed amendment [[Exhibit C](#)]. I would like to welcome Mr. Katsaros, who is a member of the Nevada Gaming Control Board, and Michael Morton, who is also with the Nevada Gaming Control Board. You may remember that he helped present the Nevada Gaming Control Board's presentation.

Assembly Bill 7: Revises provisions related to gaming. (BDR 41-279)

Phil Katsaros, Member, Nevada Gaming Control Board:

This is my first time presenting to the members of the Nevada Legislature. We are all here for the same reason, and that is to improve the living standards for the citizenry of Nevada. We are going to do our part.

Before we get into the meat of the proposal, I would like to recognize the great folks we have at the Gaming Control Board (GCB). We have a remarkable team concerning our proposed changes, which I will run through. There were numerous people who contributed to crafting this, and I want to thank everyone at the GCB for their effort in this process.

The central theme is to continue to improve upon and modernize *Nevada Revised Statutes* (NRS) Chapter 463 for the betterment of the state. There are many parts to this, of course, but drawing upon this broad-based theme, we collectively brought together these worthwhile bills at this time, and that is what we have done.

I want to specifically recognize one other individual. He was central to coordinating our efforts for today; he is the glue in this process. Some of you already know him, and that is Mr. Michael Morton. He is our senior research analyst. His title is underwhelming for what he does. He is a rock for our organization and the go-to person for whatever is needed. He is here to provide support for anything I need and to keep me on message.

I will get into the specifics of our proposals. Assembly Bill 7 proposes six changes to the Nevada Gaming Control Act. For the ease of members following along, I will present each change in the bill and the proposed amendment that the Board has submitted as an exhibit [[Exhibit C](#)] rather than go through the sections of the bill in chronological order.

The inter-casino linked system is the first proposed change. It is a change to a specific type of license currently in statute. Section 7 of the bill contains the existing definition of a "nonrestricted license." The definition of a nonrestricted license lists the four types of nonrestricted licenses currently issued by the Board. Section 7 deletes the required licensure for, or the operation of, an inter-casino linked system. Instead, section 2 amends the definition of "associated equipment" to include inter-casino linked systems.

Pursuant to NRS 463.665, manufacturers and distributors of associated equipment currently register with the Board rather than seek licensure. All sections 1, 4, 6 through 8, 10 through 13, 15 through 19, 21, and 23 make conforming changes by removing other references to inter-casino linked systems since the term would now be included in the definition of "associated equipment." Those are housekeeping items. The only other specific reference to inter-casino linked systems is in section 9. This section of statute gives the Nevada Gaming Commission the authority to regulate inter-casino linked systems, so we need that in there.

The Board is proposing this change for registration of inter-casino linked systems as associated equipment rather than full licensure as a recognition of technological advancements, both in the industry and the Board. The technology involved with inter-casino linked systems no longer poses any danger to the gaming industry to still require the full investigation that is involved in the issuance of a gaming license. This will allow for quicker development of new or modified inter-casino linked systems on the gaming floor without sacrificing needed regulatory oversight.

The last piece of the change related to inter-casino linked systems is in section 20. This section requires the registration of those associated with the manufacture and distribution of associated equipment. The Board is proposing changes to section 20 that mirror other registrations that the Board currently issues, such as for service providers. These changes would allow the Board to set the registration fee in regulation, just as we do with other registrations, and then extend the renewal window from the current statutory three-year period.

Regarding the changes to inter-casino linked systems, the Board has offered a proposed amendment. The amendment document proposes a slight change to section 8 to ensure all information and data submitted to the Board regarding gaming technology continues to remain confidential. It also proposes a change to section 9. The use of the term "manufacturers and distributors" inadvertently cuts out a certain type of license from the operation of inter-casino linked systems if the bill were to pass as is. Therefore, we want to take this opportunity to clear this up.

The next area would be our new games approval. As written, section 3 of A.B. 7 would change the definition of "game" or "gambling game" to require games to be approved by the Board rather than the Commission. Upon further internal discussions that occurred between the pre-filing of this bill and today, the Board is proposing further changes to section 3, as well as a new section associated with the approval of new games. The Board is proposing the amendment for the approval of new games to ensure the proper vetting of new games, while also ensuring new games can be deployed more rapidly and yet in a responsible and safe manner. Additionally, the definition of "game" and "gambling game" contains a lengthy list of games that are allowable under Nevada law. These date back to the 1960s. Some of the old gambling games contain some potentially insensitive and offensive terms and serve no regulatory purpose. While the Board traditionally defers this type of policy decision to the Legislature, we do take it upon ourselves to identify such issues and attempt to correct them when they are noted. In this regard, the amendment document proposes removal of certain terms contained in NRS 463.0152.

The next section has to do with updating technology language. That is in sections 2, 3, and 5 of this bill. We would like to remove the word "electromechanical" from various portions of the definitions in NRS Chapter 463. The word is obsolete in the specific definitions where we are deleting them.

Now for the live entertainment tax. In section 22, you will see we propose a technical change to how live entertainment taxes are displayed on tickets to events that are subject to the live entertainment tax. On the surface, the term "admission charge" appears to be a simple number. However, in practice, admission charges become very complicated and convoluted and can be composed of many different components involving the ticket price. We have multiple service charges and other fees, as you have probably experienced. Due to limitations of some ticketing systems—for instance Ticketmaster—the ticket price, service charges, and fees must all be displayed as individual line items on the ticket in order for the system to properly classify each item into the proper category on the accounting reports. Therefore, these components cannot be lumped together as one number for ticket display purposes. The categorization becomes even more challenging when service charges and fees are split between parties. The taxability of that split depends on who implemented the fee and what parties retain a portion. Because only a portion of that fee and only part of the admission charge are taxable, displaying this split charge is sometimes impossible for gaming licensees to cope with. Therefore, rather than requiring some of these legacy systems—as I mentioned, Ticketmaster, which is used globally—and others to rework their ticketing systems in order to comply, the Board is proposing to change the display

requirement just to display the tax that is paid. Patrons would still be aware of how much they are paying in live entertainment tax, which is a simple number to display. The amount of tax imposed and collected is not affected; it is just the display.

When the Board submitted this legislation for drafting, the language that was submitted was changed to rightly reflect the bifurcation of the authority between the Department of Taxation and the Gaming Control Board. The Board is currently working with the Department of Taxation to make this language work universally, as the bifurcation would not alleviate the burden of legacy ticketing systems, but would only create a separate display requirement based on where the taxable event is taking place. The Board plans to submit additional amendments to this section prior to any work session on A.B. 7.

Entity wagering is in section 23, which repeals NRS 463.800. This was enacted in 2015 to authorize entity wagering. As written, NRS 463.800 authorizes a race book or sports pool to accept wagers from a business entity that has established a wagering account. In practice, business entities were created to pool individuals' money in hopes of creating return on their investment. However, since 2015, entity wagering has proven to be somewhat of a stain on the industry. It has led to several federal investigations and indictments related to entity wagering, sometimes referred to as Ponzi schemes, and so forth. For this reason, the Board is proposing full repeal of this provision.

Now we will go on to section 23 with respect to labor organizations. Section 23 repeals the entirety of NRS Chapter 463A, which regulates the personnel of labor organizations for casino gaming employees. The chapter was enacted in 1975 and was never substantially amended. A wellspring of employee labor organizations in the gaming industry never really materialized. Nevertheless, after further internal discussions and review of the prefiling of this legislation, the Board is now proposing that NRS Chapter 463A no longer be repealed in this bill. This change is reflected in the amendment document that we recently submitted.

That concludes the presentation on Assembly Bill 7. We are prepared to answer any questions the Committee may have at this time.

Chairman Yeager:

You talked quite a bit about inter-casino linked systems, and I think I understand what you are trying to do in the bill. I wonder if you can provide an example or two of what an inter-casino linked system is in the real world, so we will have a sense of what we are regulating.

Phil Katsaros:

Sure. An inter-casino linked system is an important piece of equipment in the gaming industry. Essentially, it is a calculator—a glorified metering device. It links progressive games that you may see on casino floors and calculates the amount of activity that is occurring so it can display the proper amount of funds that are being metered and incremented to those meters that you would traditionally see in the casinos. It does not determine the outcome of a patron's win. It is not involved in that respect. It is essentially

what I would call a "glorified metering device." At the onset of this, like many things in the industry when they are new, the inclination—and I think it is the right inclination—is to grab hold of it and ensure you have control of whatever it is that we are regulating. As we become comfortable with it and understand it more over time, we recognize if it was the appropriate amount of regulatory oversight. We are adjusting accordingly, in our view.

Chairman Yeager:

Let me give you an example, and you can tell me if I have it right. I am thinking about slot machines in casinos, particularly the Megabucks progressive jackpot and the Wheel of Fortune progressive jackpot. When you are in the casino, you see the meter increasing in value, presumably based on play at all the properties. I think what you are saying is that the inter-casino linked system links all those machines, so the real-time jackpots are updated among the properties. Is that correct?

Phil Katsaros:

Exactly.

Chairman Yeager:

That helps. You touched a little on section 23, the removal of the entity wagering. I was not here as an elected official, but I remember being in the building when that bill was being considered and ultimately was passed. There was some hope and great promise that this would be a unique investment tool for individuals who did not want to invest in the stock market but rather in the sports-betting market. I understand there have been some issues—hopefully, not in Nevada but around the country. Can you give me a sense of whether entity wagering just did not pan out in Nevada the way folks thought it would? The testimony was that they thought this would be the next big thing. Did this just not come to pass here in Nevada?

Phil Katsaros:

Yes, you are absolutely right. It did not necessarily flourish to the extent that many had hoped. This was not a Gaming Control Board bill at the time. As I recall, it was an industry effort and push. I have the luxury of hindsight to say that it did not pan out. At the time, I think the notion was that they would be able to pool funds together in Nevada, reaching into the investors' and pockets of others outside of Nevada, pull that money into Nevada, and then create incremental revenue and growth with the sports-wagering industry. Since that time, there was only one sports book that accepted wagers from this type of business entity. I think there were fewer than a dozen formed, but do not quote me on that.

Chairman Yeager:

Thank you for recognizing the offensive terms in the bill and suggesting they be taken out. I noticed that when I read the bill. As legislators—and those involved in this process—we have a responsibility to clean up some of those relics of the past that are no longer appropriate and probably never were.

Assemblywoman Summers-Armstrong:

Help me understand why you want to make changes to the requirement of a background investigation or licensure of those who create games. Please explain why you want to make that change.

Phil Katsaros:

If I understand the question correctly, we are relegating the inter-casino linked systems from a category that requires full licensure to one that will be a registration. We are not letting go of the reins for an inter-casino linked system; we would still register those entities. The background investigation is still done, but not to the extent that a full investigation would entail. The investigative process for full licensure in Nevada is not for the faint of heart. It is a lengthy and expensive process to obtain licensure. We hold these standards for what I would consider to be the more significant aspects of our industry—those being the manufacturers of gaming devices, operators, sports-betting operators, et cetera. For this finite category of product, we do not feel it is relevant any longer to hold this limited piece of equipment to the same standard that we would for the other more relevant facets of our industry.

Assemblywoman Summers-Armstrong:

If you are not going to require them to have full licensure, how deep do you go to ensure code and other things are protected and fair? You said inter-casino linked systems are like a calculator, so someone is writing the code for that. Do we not need to be assured that those who are involved with this process are deeply investigated, so we do not have a calculator missing digits?

Phil Katsaros:

Great question, and I did not answer your question fully. On the technology side—and on the investigative background side—we have the discretion to conduct as lengthy of an investigation as needed. Given the fact that this is what we consider a lower-tier product, we are suggesting relegating it to registration, just as we have done with other categories outlined within regulation. We also still test on the technology side. We fully test to be sure it is calculating correctly, and we still have full discretion to test, just as we would any other gaming device. We would still test to the exact same level of testing that we would do even if they were required to have a full license.

Assemblyman Wheeler:

This says the initial licensing fee is \$500, and the annual renewal fee is \$500 on these machines. Are they not already paying fees for each machine? Can you justify for me what the extra \$500 is for? Also, in section 20, subsection 2, the new paragraph (d), you are removing the section that says the registration requirement must not exceed \$1,000 per application. Does that give you open season through regulation to charge whatever you want for the application fee up to \$10,000, \$2,000, or a buck and a half? I am just trying to figure this out.

Phil Katsaros:

We would be aligning it with what we have in regulation now. I would not use the phrase "open season." The oversight would still be at the Gaming Commission. We have run into the situation over many decades where fees have not been adjusted for 30 or 40 years, but inflation has occurred at the same time. Something that cost \$100 fifty years ago is not necessarily relevant being \$100 anymore. It is not open season, and we would still have to go to the Commission, which would have to ratify any change in fee structure. Which fee are we talking about again? Is it the \$1,000 fee?

Assemblyman Wheeler:

There are two of them: the \$500 initial fee and the \$500 per year, per machine. Then there is the registration fee in section 20 where you have removed the words "must not exceed \$1,000 per application."

Phil Katsaros:

That would have to be ratified by the Commission. Anything in red would have to be ratified by the Commission. If there is an administrative fee, that is a different story. What was the first question you had?

Assemblyman Wheeler:

I am looking, but I cannot find it in the bill. I see it in the Legislative Counsel's Digest. It says, "in addition to the other fees," so I am trying to justify that annual \$500 fee. Right now, a lot of our gaming companies are hurting, and hurting badly. I hate to see us adding more and more fees—at least for the time being—until we are back to a thriving economy.

Phil Katsaros:

Understood. We are mindful of that. For example, the inter-casino linked system would significantly benefit from just being registered. Right now, to get a license, the investigation would depend on the type of company. Most investigations are going to cost—depending on the makeup and the individual investor—\$50,000 to \$100,000. Now, talking about a registration fee in this regard, we are nowhere near the realm of the same neighborhood. It would bring it in line with the other types of registrations that we have. Anyone who wants to get an inter-casino linked system would be thankful for this.

Assemblyman Wheeler:

Anything like this would normally go through our Interim Finance Committee during the interim. Would all these fees be subject to that, or just the approval of the Gaming Commission?

Michael Morton, Senior Research Specialist, Nevada Gaming Control Board:

The Gaming Control Board is expressly exempt by the Nevada Administrative Procedure Act. The Board holds workshops, drafts the regulations, and then they are approved by the Nevada Gaming Commission.

Assemblyman Wheeler:

There would be no legislative oversight over these fees. As I said, it would be "open season."

Michael Morton:

There is no legislative oversight over the fees. I will note that the fees you are talking about in the Digest are in the existing law; this bill does not seek to change those at all.

Assemblywoman Cohen:

In section 20, subsection 2(b), there is reference to a person having significant involvement in the manufacturing or distribution of associated equipment. Do we have a definition for "significant involvement"?

Phil Katsaros:

I do not think we do.

Michael Morton:

We do not have a definition of "significant involvement." That language is used throughout NRS Chapter 463. It is also the language used in the definition of "gaming employee" at the end of the definition. The Commission can call anyone forward who they think needs to be registered as a gaming employee—in this case, anyone registered as someone who has significant involvement in dealing with inter-casino linked systems and associated equipment.

Phil Katsaros:

To add a little to that, we are dealing with technology, and more and more of these things become nuanced because there are numerous entities or developers involved or that have a hand in the development of that product. This would give us the tools we need to ensure that we can capture whoever it is that we may deem to have a significant involvement in the process of developing or manufacturing these products.

Assemblywoman Cohen:

So, it is a term that is used throughout the chapter, and there is a general understanding in the industry.

Phil Katsaros:

Indeed.

Chairman Yeager:

Do we have any further questions?

Assemblywoman Krasner:

I was looking at section 23 of the bill, and I know you said it was [unintelligible]. When you look at the bill, it is just a bunch of NRS statutes. [Unintelligible]

Phil Katsaros:

My apologies, but I could not hear the question clearly.

Chairman Yeager:

Let me repeat it. Assemblywoman Krasner, your audio was cutting in and out, but I think I got the gist of the question. She was referring to section 23 of the bill, which details the sections of the NRS to be deleted. I think she was asking what the sections do that are to be deleted. Before you answer, I will note for members that, through the amendment presented by the Gaming Control Board, there are several sections that are now proposed not to be deleted. I think everything in NRS 463A will remain in statute, which is most of it. Mr. Katsaros, would you explain what things are being deleted by section 23?

Phil Katsaros:

You are exactly correct. One piece of section 23 basically leaves NRS 463A untouched. The other main change is repealing anything to do with entity wagering so that it is no longer an allowable practice within Nevada. Those are the two main changes.

Michael Morton:

The bill, as written, repeals provisions related to gaming employee labor organizations; however, if the proposed amendment is adopted, it would no longer repeal those sections.

Chairman Yeager:

Are there any other questions? I do not see any other questions. I will open testimony in support of A.B. 7. [There was no one in support.] I will close supportive testimony and open testimony in opposition. [There was none.] I will close opposition testimony and open neutral testimony.

Barry Duncan, Government Affairs Representative and Analyst, Nevada Taxpayers Association:

The Nevada Taxpayers Association supports the provisions related to the live entertainment tax. We have been in contact with the Gaming Control Board to ensure provisions of the live entertainment tax are the same for all businesses, whether the tax is administered and audited by the Gaming Control Board or the Department of Taxation. We are prepared to commit to working with the Gaming Control Board on forthcoming amendments relative to the matter mentioned earlier in the hearing.

Chairman Yeager:

We are on neutral testimony. Did you mean to testify in support of the bill, or did you want your testimony to be neutral?

Barry Duncan:

I am sorry. We are neutral on the provisions that are not related to the live entertainment tax. We are in support of the provisions relative to the live entertainment tax.

Chairman Yeager:

For now, we will keep you in the neutral position, since it seems you do not have a position on the other parts of the bill.

We will close neutral testimony and open for concluding remarks.

Phil Katsaros:

I do not have any closing comments prepared. We ask for your support of the provisions and proposed changes that we submitted to the Committee.

Chairman Yeager:

I will close the hearing on Assembly Bill 7 and move on to the second bill on our agenda. I will open the hearing on Assembly Bill 8.

Assembly Bill 8: Makes various changes relating to gaming. (BDR 41-278)

Phil Katsaros, Member, Nevada Gaming Control Board:

Assembly Bill 8, as written, proposes six changes to the Gaming Control Board Act. For ease of reference and for members following along, I will present each of the changes in the bill as a subject instead of going through things in chronological order.

The first topic is on the use of electronic signatures. Sections 1 and 5 allow for the use of electronic signatures on credit instruments utilized at and by gaming licensees. Currently, the definition of "credit instruments" in *Nevada Revised Statutes* (NRS) Chapter 463 requires the instrument to be evidenced by a writing. Changing the word "writing" to "record" will allow for electronic credit instruments, specifically, markers. Additionally, section 5 provides authority to the Nevada Gaming Commission to adopt regulations relating to the use and validity of electronic signatures on credit instruments used in gaming.

The "gaming employee" definition is in section 2 of this bill. It amends the definition of "gaming employee" found in NRS 463.0157 to include those employees who are required to register with the Board to operate as cash access and wagering instrument service providers. The Commission determines, by regulation, who is required to register. While this appears to be an expansion of the persons who must register with the Board, the cash access and wagering instrument service provider employees already must register with the Board. It was simply never included within the definition of gaming employee. The same catchall provision is found in "gaming employee" within NRS Chapter 463A. Therefore, the change to this portion of the bill only makes definitions more similar between the chapters.

Sections 6 and 8 amend the definition of "slot machine wagering voucher" to account for the fact that wagering vouchers are utilized for more than slot machines these days, including table games, card games, and counter games. The vouchers can be digital forms, digital representations such as digital quick response codes, or a digital form of the physical tickets that you see—Microsoft tags—and other forms.

Section 4 of A.B. 8 removes a longstanding and inadvertent conflict within NRS 463.080. From the creation of the Gaming Control Board, the Board has been required to create its own comprehensive plan of employment pursuant to subsection 6 of NRS 463.080. When state law was amended pursuant to the Fair Labor Standards Act in 1993, amendments were made to all employment-related provisions of NRS that hindered the Board from implementing its required plan of employment. The proposal in section 4 fixes this issue.

Section 3 amends the definition of “gross revenue” to clarify the types of entry fees for contests and tournaments that are included in the calculation of a licensee’s monthly gross revenue.

The last portion of this bill addresses how a licensee accounts for the final payment on credit instruments issued by the licensee. Currently, when a licensee concludes gaming operations, it must either pay a fee on the final tax return of the licensee based on the outstanding value of all outstanding credit instruments or a monthly payment based on all compensation received on paid credit instruments. Section 7 removes the option to pay monthly. It is an obsolete provision that has never been used—or at least not in the last couple of decades—by licensees when they cease gaming operations.

That concludes our short presentation of Assembly Bill 8, and we are prepared to answer any questions you may have.

Chairman Yeager:

My questions are on section 3, which relates to gross revenue. When you look at section 3, subsection 1, paragraphs (a), (b), and (c) mention cash, but paragraph (d) mentions compensation instead of cash. Later in that same provision, we strike the word "compensation" and put in the word "cash." I am trying to get a handle on what the difference is, in your mind, between those two and why most provisions say "cash," but the beginning of paragraph (d) says "compensation." Would you illuminate on that and add a little more? That would be helpful.

Phil Katsaros:

The purpose and concept of these changes are to properly align them. In an oversight last session, we inadvertently included funds received on behalf of interactive gaming operations that were part of contests or tournaments. Those funds are not included in the calculation of monthly gross revenue. Therefore, the intent here is to remove that from the calculation to properly align how it should be and needs to be.

Michael Morton:

To your question about cash and compensation, compensation is used in paragraph (d) of section 3, subsection 1 because it refers to interactive gaming, which is done entirely online. It is not actual cash changing hands.

Chairman Yeager:

In changing the definition of gross revenue in section 3, do you think that will have a positive impact on the amount of gross revenue that would be reported by gaming licensees?

Phil Katsaros:

I have not looked at what the fiscal impact statement would say. I will defer to Mr. Morton. In my personal view, it would be minimal to nothing. Interactive poker, at this point, has not been a flourishing product. There is minimal activity out there. Any benefit we get from interactive gaming would very likely flow down to the brick-and-mortar locations.

Michael Morton:

The changes we are making to what is included in the calculation are not already included in gross revenue in practice because they are not supposed to be. We are just changing the definition to make that clear in statute.

Chairman Yeager:

We are all crossing our fingers that, in terms of online poker, Pennsylvania will come online soon and sign a compact, along with Michigan and some other states. Hopefully, when we have this conversation two years from now, we will be talking about the boom in Internet poker around the country. I am hopeful, but I have been hopeful for about six years now and we are still here. We will see how things play out in those other states.

I do not see any questions from the Committee members, so one last call for questions. We will see if there is any further testimony on this bill. I will open supportive testimony. [There was none.] I will close supportive testimony and open opposition testimony. [There was none.] I will close opposition testimony and open neutral testimony. [There was none.] I will close neutral testimony.

Before we go to concluding remarks, I failed to ask a question before, so I will ask it now. It is about the slot machine wagering voucher change that you are making. I do not recall what section it was in, but the explanation was that you can have wagering vouchers—I guess it was section 6—that cover more than just slot machines. Do you think the dollar value of expired wagering vouchers will increase due to the change? The reason I ask is that there is a provision in statute regarding the sharing of monies from expired vouchers. Do you think that amount will increase, and if so, are you able to provide any projections on whether that will be a substantial increase?

Phil Katsaros:

Sections 6 and 8 are where we are making definition changes. It is largely a naming convention issue, but it does get to the heart of what you are suggesting. At the point in time when slot machine wagering vouchers were instituted into law and regulation, tickets were not used outside of slot machines. They are now able to be used across the floor, although not necessarily seamlessly just yet. That is a hope I have for the future, that we have a more seamless flow of cash throughout a casino floor. We hope patrons have easier access to move as freely as they wish without it being a clunky process, which it has been for many

years. We moved from tokens to coins to tickets a long time ago, and maybe to cards eventually. We would probably see an increase in the expiration of tickets in the future. They are not widely used as part of the slot wagering system just yet, but as gaming continues to change, we will see an increase. I am not certain and would not characterize it as anything notable. I do not have any data to provide since it is unknown at this time as to what amount that might be in the future.

Assemblywoman Hansen:

I am mystified that we have not had any support or opposition testimony, particularly to Assembly Bill 7, since it is a 30-page bill. I understand that some of it is cleanup to update language—and I know this virtual session makes it more cumbersome—and I do not know if you can speak on behalf of gaming, but I am surprised that we have not had any testimony today. Has there been any feedback? Sometimes these bills look very simple or are just cleanup, but I am at a loss to understand why there is nothing from the industry that this impacts.

Michael Morton:

As you know, all Executive Branch agency bills, by statute, must be prefiled by the third Wednesday in November, so our two bills have been public since November 18, 2020. Since publication of those bills on the legislative website, we have had conversations with the industry. They have asked their clarifying questions on why we were doing these things or how this will affect regulation. We have not received any concern from the industry, and any clarifications have been cleared up prior to these hearings. I do not have an answer to why there has been no testimony.

Chairman Yeager:

I will note for the record that it does not look like we had anyone sign up on the website to provide testimony, which makes me think it is not a technical issue. It is interesting, and some of you may ask why we started at 8 a.m. and are going to finish at 9 a.m., but sometimes it is hard to predict if these bills are going to generate interest. It does not look like these bills generated much interest outside of the Gaming Control Board. To make it clear, I have not had anyone reach out to me to express concerns about either of these bills.

Phil Katsaros:

As Mr. Morton stated, we worked on these a long time ago. I could run through each section and highlight the changes, but to summarize, it is cleanup for the betterment of the state just as you suggested. Perhaps we got it right; time will tell. I have had conversations with folks outside of our agency, as has Gaming Control Board staff. It is always good to double-check what you are producing. I have spoken with Ms. Virginia Valentine at the Nevada Resort Association, as well as numerous other folks within the industry, to ensure that there is nothing we missed. We are continually communicating with the public, as well as the industry, soliciting feedback and gaining a greater understanding of the industry we regulate.

Chairman Yeager:

Seeing no further questions from the members, are there any concluding remarks before we close the hearing on Assembly Bill 8?

Phil Katsaros:

I do not have any concluding comments except to say that we hope we have support on the noteworthy changes we are proposing. There is a lot of cleanup for the betterment of the state.

Chairman Yeager:

I will close the hearing on Assembly Bill 8. That takes us to the last item on our agenda, which is public comment. We will have up to 30 minutes for public comment.

Annemarie Grant, Private Citizen, Washoe Valley, Nevada:

I am the sister of Thomas Purdy, who was killed by the Reno Police Department and the Washoe County Sheriff's Office on October 8, 2015, during a mental health crisis.

I would like to talk about Kristofer Paul Talancon. He was 30 years old when he was asphyxiated to death on October 15, 2016, by Sparks Police Department officers. When Sparks police arrived that day, they were aware of Kris's mental illness. In fact, Kris was involved in a medical call less than 24 hours prior. The officers immediately escalated the scene that had been calm and nonviolent before their arrival. Due to Kris reaching into his car, an officer decided they should go hands-on and handcuffed Kris to get control. The three officers applied their full weight to Kris for four to five minutes. A witness stated the officers had Kris by the neck trying to make him pass out, and a knee struck Kris. The witness said Kris passed out from the chokehold and went limp. The witness acknowledged the knee strike and stated that he noticed Kris was not breathing. Kris was then rolled onto his side, which should have happened immediately. [Unintelligible.] Kristofer was declared brain dead upon arrival at the hospital. No officer attempted CPR on Kris. They waited for REMSA [Regional Emergency Medical Services Authority] to arrive. Kris was a father, son, brother, friend, and so much more to so many people. Do not let any more community members die in vain. Please do not support bills that protect the police; support those that promote transparency and accountability.

Chairman Yeager:

Is there anyone else wanting to provide public comment? [There was no one.] I will now close the public comment line.

Before we talk about the rest of the week, is there anything else from the Committee members? Seeing nothing from the members, let me give you the lay of the land of where we are going the rest of the week. Tomorrow we will have a meeting at 8 a.m., and we have three bills. That is a record for us so far this session, so we will see if we can get through all three of those bills. For the presenters of those bills, I will reach out to let you know what order we intend to take them in. I am not sure if the agenda is out for Thursday, but we will have a meeting. We have one bill, and we will start at 9 a.m. I anticipate a meeting on

Friday, but I do not know what time we will start. I believe we will have a work session and consider some of the bills that we have heard so far. I will check on that. We may have a bill or two, but I do not know yet. Hopefully, by tomorrow's meeting I will be able to tell you what Friday looks like.

Have a good rest of the day, and I will see you tomorrow morning at 8 a.m. This meeting is adjourned [at 9:08 a.m.].

RESPECTFULLY SUBMITTED:

Karyn Werner
Committee Secretary

APPROVED BY:

Assemblyman Steve Yeager, Chairman

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a proposed amendment to Assembly Bill 7, presented by Phil Katsaros, Member, Nevada Gaming Control Board.