

**MINUTES OF THE  
SENATE COMMITTEE ON JUDICIARY**

**Eighty-first Session  
March 17, 2021**

The Senate Committee on Judiciary was called to order by Chair Melanie Scheible at 1:01 p.m. on Wednesday, March 17, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Melanie Scheible, Chair  
Senator Nicole J. Cannizzaro, Vice Chair  
Senator James Ohrenschall  
Senator Dallas Harris  
Senator James A. Settelmeyer  
Senator Ira Hansen  
Senator Keith F. Pickard

**GUEST LEGISLATORS PRESENT:**

Senator Ben Kieckhefer, Senatorial District No. 16

**STAFF MEMBERS PRESENT:**

Patrick Guinan, Policy Analyst  
Sally Ramm, Committee Secretary

**OTHERS PRESENT:**

Johnathan Wendel, Professional Gamer Alias Fatal1ty  
Paul Hamilton, CEO, The Greenspun Corporation; President/CEO, Atlanta Esports Ventures  
Lisa Motley, Director of Sports Marketing and Special Events, Las Vegas Convention and Visitors Authority  
A. G. Burnett, Former Chair, Nevada Gaming Commission  
Dylan Keith, Vegas Chamber  
Christopher LaPorte, CEO, RESET Las Vegas  
Virginia Valentine, President, Nevada Resort Association  
Sam McMullen, President, FiveGen

Senate Committee on Judiciary  
March 17, 2021  
Page 2

Zach Conine, State Treasurer  
Jennifer Verive  
Andrew Diss, Meruelo Gaming  
Timothy Johnson, Entertainment Software Association  
Terry Reynolds, Director, Department of Business and Industry  
Annemarie Grant

CHAIR SCHEIBLE:

Anyone intending to testify today may submit written comments. Each person will have two minutes to testify; you may also simply state you agree with a former testifier. When the hearing for the bill is concluded, there will be time for public comment. To submit written testimony during or after the meeting, the email address is [SenJUD@sen.state.nv.us](mailto:SenJUD@sen.state.nv.us).

I will now open the hearing on Senate Bill (S.B.) 165.

**SENATE BILL 165**: Establishes provisions relating to Esports. (BDR 41-562)

SENATOR BEN KIECKHEFER (Senatorial District No. 16):

I am new to Esports, so I spent time with people who have this expertise for their advice and counsel while I crafted this bill. This is an economic development bill, an effort to bring Esports events, tourism and business to our State. Anything that works counter to that goal is something that we should not do. My vision is to work with the Esports ecosystem; create a structure that has value for publishers, event organizers, players and everyone else involved in Esports events; and make the people involved want to choose Las Vegas and Nevada over any other place on earth.

Nevada has a long history of working closely with new and growing industries to create a safe space for them to operate and thrive. The most recent example is the Nevada Athletic Commission (NAC) which is the model on which this idea is based. The NAC played a crucial role in the growth and development of mixed martial arts generally but more specifically, the Ultimate Fighting Championship (UFC). This is the vision we have of the possibilities of this bill. It is an effort to take the next step to bring more people and a new type of audience to Las Vegas and Nevada by creating this body.

The plan is designed to be light-touch regulation and sanctioning for the Esports competitions in this State. The goal is by working with the industry to help

them prevent and solve problems, Nevada will become the destination for Esports events, businesses and companies as well as remote workers who actively seek exit from other jurisdictions. I will give you a quick overview of Esports and some of the numbers to show why this is so significant for Nevada. A panel of experts will talk about the industry as well as tourism in Las Vegas and proposed amendments to the bill.

Senate Bill 165 establishes the Nevada Esports Commission to sanction and regulate Esports competitions in the State, as explained in my presentation ([Exhibit B](#)). Esports is a contest of multiplayer video games that viewers can watch in person and online. It is one of the fastest-growing markets in sports and entertainment. Total Esports viewership is expected to grow from 454 million in 2019 to 646 million in 2023. Esports consists of businesses of all sizes operating a competitive sport through both vertically integrated and distributed infrastructures. Video game publishers create games, own and license their intellectual property. Tournament organizers create events under agreements with publishers. These events are both professional and amateur. In some leagues owned by publishers, teams are created and franchised. Fans and casual players drive the industry, and game communities are critical to Esports success. Esports creates jobs with a 343 percent increase in the number of Esports jobs posted from 2015-2019. Nevada would be the only State with an Esports Commission.

Senate Bill 165 establishes the Nevada Esports Commission with members appointed by the Governor to four-year terms. These members will have expertise in Esports, information technology and law enforcement. The Governor will also appoint an executive director who must not be a member of the Commission. The Commission will oversee and sanction Esports in Nevada.

JOHNATHAN WENDEL (Professional Gamer Alias Fatal1ty):

I travel the world playing video games and have lived this virtual life of playing games for over two decades. I will give you some information on being a professional gamer. I made a handshake deal with my dad to go to my first tournament in 1999. I saved \$500, drove to Texas and won \$4,000 that weekend. After that, I started getting invited to travel around the world to play video games. I received a call asking me to represent the United States in a tournament in Sweden where I won 18 games, losing none. There were a lot of sponsors on the scene, and I asked one to sponsor me. They were skeptical until I told them I was the "best in the world." After looking at my record and

admiring my confidence, they said they would sponsor me, and I made a little over \$100,000 in my first year as a professional gamer at 19 years old. I won a gold medal in Seoul, Korea, and traveled all over Europe. I have played video games on every continent except Antarctica. My initiative today is to help grow Esports and to put Esports in the best light. I have lived in Las Vegas for 12 years and am a big fan of Las Vegas and Nevada. I am honored to be here to shine a light on Esports for you.

PAUL HAMILTON (CEO, The Greenspun Corporation; President/CEO, Atlanta Esports Ventures):

I have lived in Las Vegas since I was two years old. After a successful career in other ventures, I became partners and CEO with The Greenspun Corporation and Cox families in Esports, which brought me into the Esports realm. We have invested \$100 million across a couple of Esports platform franchises as well as into the ecosystem. We plan to make further investments into the space because of the potential growth, as Senator Kieckhefer showed in the slides. Other Esports owners are well-known in the sports world, like Bob Kraft, owner of the New England Patriots, and Stan Kroenke, owner of many sports teams, including the Los Angeles Rams.

Who would want to watch somebody play a video game? It may seem silly, but it is akin to me as a kid wanting to watch Michael Jordan play basketball. Esports at the highest level for today's gamer is like comparing Mr. Wendell competing with a regular player of video games to Michael Jordan and me playing basketball. Esports has created a culture, an environment of fans and a lifestyle where younger people consume content. The average fan in this game is 27 years old, 50 percent more educated and 60 percent more affluent. They are the type of tourists that we are looking to draw to the State.

My reason for testifying here today is I believe that Las Vegas is the greatest city in the world when you look at what we are capable of in terms of hosting events and making sports like the UFC happen. The UFC and Esports do not have a lot in common other than they have hardcore fan bases. Esports needs less regulation than UFC, which is very physical. We want to create an environment where Las Vegas becomes the Esports mecca. If your game is big enough, your game title is big enough and you get to hold an event in Las Vegas, then you have arrived. The pivot to that is that Esports does not need Las Vegas the way that other forms of entertainment have historically. Part of this is making the effort to show the Esports community how authentic

Las Vegas can be and how much we can embrace Esports as a culture and a gaming system in a competitive world.

With the right amount of work, this bill is timely. We are seeing other cities extend olive branches to the Esports community like tax credits. This lifestyle is getting more popular and is not going to level off any time soon. The goal here is to not put up so many guardrails that we prohibit Esports from coming or scare people away but to show publishers and the public that we understand it in a way that we can help make it better, bring it here and cast it in the biggest light possible.

LISA MOTLEY (Director of Sports Marketing and Special Events, Las Vegas Convention and Visitors Authority):

As you know, the mission of the Las Vegas Convention and Visitors Authority (LVCVA) is to attract visitors by promoting Las Vegas as the world's most desirable destination for business and leisure travel while generating economic opportunities for our communities. We recognize that sports, special events and Esports are going to be the main focus for tourism marketing over the next several years. We look forward to expanding our reputation as the sports capital of the world as well as an Esports hub or mecca, as Mr. Hamilton mentioned earlier. Sports, which we define as encompassing Esports, is definitely one of Las Vegas's priorities. This one segment has been incredible to witness, grow and develop over the last few years.

Las Vegas is the only city that has evolved to host people. No other city has a combination of 150,000 hotel rooms and 14 million square feet of convention space. We have long been the top destination for champion sporting events, including the National Finals Rodeo, baseball Winter Meetings, UFC, USA Basketball and the PGA Shriners Hospitals for Children Open. We host four NCAA major conference postseason basketball tournaments, boxing and more. We are witnessing a renaissance in sports in Las Vegas as we have introduced five professional leagues in the last two years, including the NFL, NHL and the WNBA. Las Vegas continues to be a thriving, fast-growing vibrant city that always has something new.

The LVCVA, along with our resort partners, spurs growth by constantly evolving new concepts, bringing in unique events and providing guests reasons to visit the destination. We are called the sports and Entertainment Capital of the World for good reason. The ever-changing entertainment offerings make a

huge impact in driving tourism and economic impact to the destination. The foundation laid has primed Las Vegas for the evolution to the Esports tourism space, not just for participation events but also for the lucrative business-to-business segment like trade shows and conventions aimed at technology-based corporations. Over the past few years, Las Vegas has invested more than \$18 billion in capital projects, either completed or underway. That includes the \$1.8 billion, 65,000-seat Allegiant Stadium; the joint venture between Madison Square Garden and the Las Vegas Sands—the MSG Sphere—which will be an 18,000-capacity venue; Resorts World Las Vegas, which will open the Asian resort experience in June; Circa, an approximately 800-room hotel—the first to be built in downtown Las Vegas since 1980—that opened in October 2020. In addition, the Las Vegas Convention Center expansion adds 1.4 million square feet to our facility and 600,000 square feet of new exhibit space.

Las Vegas is growing, and these facilities have been built to include the most advanced technological offerings and the ability to host Esports contests whether as a participatory event or a lucrative business-to-business event. We are also home to numerous state-of-the-art venues that can easily cater to the Esports enthusiasts, including the HyperX Esports Arena at the Luxor; Caesars Forum Conference Center; Caesars Entertainment Studios; AREA 15; Black Fire Innovation at the University of Nevada, Las Vegas; MGM Grand Garden Arena; T-Mobile Arena; Orleans Arena and more. We are also home to several international Esports professional teams. Plus, technology company Switch has signed on as the live-streaming video platform and will be the official streaming partner for the Las Vegas Raiders at the Allegiant Stadium. Esports is a great fit for Las Vegas whether hosting a live competition or business-to-business conference. Before the pandemic in 2019, Las Vegas welcomed 42.5 million visitors. In 2009, we welcomed 36.3 million. Therefore, over the course of the last decade, we increased visitation by 14 percent or approximately 6.2 million visitors. This is due not only to the fact that we have expanded the number of hotel rooms, but we are attracting events, including Esports, to Las Vegas. Esports programming allows the destination to attract not only a newer audience but provides an enticing background for the business-to-business vertical.

The LVCVA is a research organization, so we are unable to speculate how various elements could impact tourism, but we are optimistic that by expanding our reputation as an Esports destination, both new and repeat visitors will have

more reasons to visit Las Vegas. In recent years, we have been involved in the addition of Esports programming in existing marquee events. We want to introduce the attendee to the world of Esports but also provide a younger audience to make the connection between live sports and what the future can hold for sports.

The LVCVA is excited for the future of Las Vegas tourism and generating economic growth and opportunities for sports events and Esports. We are committed to Esports playing a role in our initiative and believe that the Esports Commission would increase our ability to deliver on our mission locally and globally that Las Vegas means business.

SENATOR KIECKHEFER:

I would like to start the review of the bill with the preamble which is the focus of the legislative intent of this bill, particularly as it relates to promoting the growth of Esports and partnering with this industry to help grow tourism in Nevada. This is the lens by which we can focus our consideration. This is truly an economic development bill focused on growth for industry and State.

Sections 2 through 7 of the bill contain the definitions.

Section 8 creates the Nevada Esports Commission. While it was drafted as a three-member body, the general consensus is that it would be more appropriate to expand to a five-member panel that would bring more voices to the table and provide the opportunity for more input from different segments of the industry and greater diversity. I have provided the conceptual amendments ([Exhibit C](#)) that show this as one of the amendments. In section 8, we are also proposing to strike subsection 3. This subsection prohibits commissioners from having any investment or interest in Esports and would be too restrictive in who Governor Steve Sisolak could recruit to serve in this volunteer position. If you combine expanding this Commission to five members with the understanding that it must follow our Open Meeting Law, ethical rules, disclosures and recusal rules, eliminating this provision would serve in the best interest in creating a Commission that can meet the needs of the State.

Section 9 lays out additional qualifications for the commissioners. I would also recommend amendments to these qualifications, specifically expanding subsection 3 from one to three commissioners who have experience in Esports. It would also generalize subsections 4 and 5 to retain some knowledge of

information technology for one member and law enforcement for the other or perhaps to make it so they are not as specific to Esports. If we make these qualifications too specific, our ability to recruit commissioners would be severely undermined, and we would be working against ourselves.

Section 11 outlines the Governor's appointment of a full-time executive director position. It is critical that we create this position in-house as a full-time, high-level position housed in the Department of Business and Industry to run the day-to-day operations of the Commission and do the work necessary to stand it up. This position and associated costs are primarily responsible for the fiscal note attached to the bill that will be dealt with in the Senate Committee on Finance.

Section 12 permits the executive director to seek out and accept gifts, grants and donations to support the Commission and creates a special account in the General Fund to deposit any such revenue raised.

Section 14 gives specific authority to the Nevada Esports Commission to sanction events in Nevada similar to the authority created for the NAC. This section was drafted to require sanctioning any event with a purse over \$1,000. This is another place for an amendment to remove that monetary threshold and leave such a decision over sanctioning to the discretion of the Commission. There are many nuances in some of these events. Different types of events include different purse sizes, or they may be amateur, professional or collegiate. Any effort by this Legislature to put any confines into statute would be inappropriate at this time because we do not have enough subject matter expertise in Esports to decide. The Commission would capture some of the existing nuances.

Section 15 specifically outlines the regulatory authority of the Commission. It requires the Commission to promulgate regulations related to integrity, enforcement, qualifications of registrants and participants, and venue oversight. All of this is included so the Commission can work with industry to create policies and guidelines that ensure fair play, competition, integrity and confidence in events held.

Also, in section 15, we need additional debate over what the regulations include and some of the nuances that exist in the industry. To do that, the Commission should not act alone. Along with the conceptual amendments I have submitted,

I am proposing the Commission be required to create a technical advisory committee consisting of industry experts from various parts of the Esports ecosystem, including publishers, event organizers, broadcasters, players, teams, judges and anybody else the Commission deems appropriate. These should be individuals from inside companies actively working in Esports. They can live either inside or outside of Nevada as long as they have the technical expertise necessary to aid the Commission in its responsibilities.

Section 16 makes it a misdemeanor crime to violate this bill or the regulations promulgated by the Commission. I heard concerns from the defense bar, including John Piro from Las Vegas and Kendra Bertschy from Washoe County, regarding this provision, and I tend to agree. I am not sure why we want to make this a misdemeanor, and I am happy to make changes.

My final proposed amendment is to extend the effective date of this bill, allowing it more time to do its work. Section 17, subsection 2, paragraph (b) should be extended to at least July 1, 2022, so the Commission has a full year to get set up.

SENATOR HANSEN:

If betting is involved, should the Nevada Gaming Control Board (NGCB) or the Nevada Gaming Commission (NGC) have any oversight? Where do you see an interlink between this new Esports Commission and the existing ones dealing with gambling and gaming?

SENATOR KIECKHEFER:

I have worked to make sure that we keep issues over gambling and Esports separate in this process. The intent is to not tread on the authority of either the NGCB or the NGC because they have oversight of gambling in our State. While gambling happens on Esports, this bill does not touch that. Wagers are permitted in Nevada on Esports events, but this bill is not intended to address that. The Esports Commission should be focused on the competitions much like the NAC is focused on competitions in unarmed combat. Let NGCB and NGC handle anything related to gambling.

SENATOR PICKARD:

There is always that overlap of integrity where we have known gaming on any particular event, so I agree we should make sure we have the regulations, and the Commission itself is operating independently. Interaction is necessary

because integrity is found on both sides of the equation. I was surprised by the proposed amendment and your explanation that we are allowing active market participants to be on the Commission. Are there similar market participants, people who are actively and financially involved in athletics that are overseen by the NAC, or are there any commissions that allow active participants to oversee their own operations?

SENATOR KIECKHEFER:

I would have to look specifically at each individual board, but our professional licensing boards are always populated with people who have a vested interest in those industries. It is important to remember what is different about Esports as compared to gaming in Nevada. We do not have the robust availability of people who once worked in the industry, have expertise, are retired or have moved on to a different profession. It is important to find people who have real-world experience, so they can provide the best service to the State. This industry is changing quickly and critically needs people who are actively engaged and stay informed on all of those changes. I recognize this is a significant difference but important for purposes of populating the Commission with people of the highest level.

SENATOR PICKARD:

Active participants should be part of the technical advisory committee; but unlike the Esports environment, contractors and dentists do not have any gambling being done at their work. I do not see the kind of risk in professional licensing boards that we would have with active market participants policing their own operations. I have trouble with that from the integrity side of this. I understand the idea that we do not have experienced regulators available. Are they available anywhere, not just Nevada? Are there people we can recruit to Nevada in order to avoid that apparent conflict?

SENATOR KIECKHEFER:

The concept of seating people on the Nevada Esports Commission who are not Nevadans has been discussed. We can continue to have that conversation. The idea of the technical advisory committee is to get the best of both worlds where Nevadans serve on the Commission and technical expertise would be available across the world to populate the advisory committee.

SENATOR SETTELMAYER:

Have we gone to a concept in other boards to set the fee entirely, or do most of them have a cap? Do we traditionally make sure the Legislature has the ability to guide that entity over time to make sure it does not get out of compliance with the norm? Maybe counsel can let me know if it is common to have a cap or commissions and boards can unilaterally establish fees.

SENATOR KIECKHEFER:

We do both. I get back to the intent of this legislation which is to attract people to Nevada. Usually, when you increase taxes or fees, the increased costs become less attractive to participants. The idea would be to keep this as friendly as possible to recruit people to the State.

SENATOR HARRIS:

My question centers around the requirements to be on this Commission. You made a couple of amendments to open up the membership and remove the requirement that they not be involved in the industry. Why would you limit membership on the Commission to citizens of the United States?

SENATOR KIECKHEFER:

I do not have an answer to that. It is how the bill was drafted by the Legislative Counsel Bureau. You raise an interesting point that we should amend that out.

CHAIR SCHEIBLE:

If we are concerned about finding people who do not have a financial interest in the industry and we are expanding the Commission, it seems contradictory. Either lots of people are qualified and we want to include more of them, or it is a select group that we limit to three people. Why the expansion to five?

SENATOR KIECKHEFER:

This develops the most robust pool of potential commissioners that we can find. If we amend the bill to allow commissioners to have a financial interest in Esports, then a three-member body can get tricky when you talk about disclosure and recusal. You need to have a large enough Commission, so they can recuse themselves from votes—if required and necessary to uphold the integrity of the process—and still have a functioning body. Five is not too many, but three is too few.

CHAIR SCHEIBLE:

How does the Commission make money?

SENATOR KIECKHEFER:

The Commission itself can generate fees for registering events and things like that. The plan is that the Commission would become self-sufficient. For the State, the prospect of drawing hundreds of thousands of new visitors through some of the biggest competitive sporting events in the world brings revenue opportunities for Nevada in other ways, whether that is sales tax for room nights, Live Entertainment Tax on these events for spectators and any other revenue generated by more people coming to Las Vegas. That is all of benefit to the State from a revenue perspective. The initial fiscal note for the Commission expects that we would have to fund this, primarily the one position and the associated operating costs, with the General Fund over the initial biennium. If it functions as intended and we bring events to the State, revenue would make the Commission self-sufficient in future years. The Commission itself is not designed to make money. It is designed to attract business to the State which will be an economic benefit.

CHAIR SHEIBLE:

I do not understand why we would spend \$500,000 creating a Commission to do that instead of having one of our established tourism boards, commissions or agencies do more promotion of Las Vegas as a place for Esports competitions and tourism.

SENATOR KIECKHEFER:

There is a difference between the promotional aspect of what we do and the structure created through a body that has some authority to ensure fair play, competitions on an equal playing field, confidence in outcomes and rule enforcement. If we create that type of ecosystem to attract events and players, then it works in conjunction with the promotional realm. It gives us something else to promote. This would be a great place to do events because we have the tourist infrastructure, but we also have the infrastructure in place to ensure the event has the highest of standards.

CHAIR SCHEIBLE:

Why do we think a currently unregulated industry would attract more participants with regulation? Can you give me another example of a legal industry where we implemented regulations and suddenly more people came to

the place where it was regulated as opposed to staying in places where it was unregulated?

SENATOR KIECKHEFER:

Mixed martial arts is a perfect example. I talked to Mark Ratner last week. He was the executive director of the Nevada Athletic Commission for a long time, moved on to the UFC and works there now. He told me that when he was executive director of the NAC, he was resistant to UFC. Then it was purchased by the Fertita brothers, and they were fans of regulation. They started working with industry to create some standardizations and rules that they would follow. It was a successful venture for them.

Why would creating this type of organization attract people when they can be the Wild West somewhere else and do whatever they want? Offering additional value to the publishers and the tournament organizers is a critical piece of this. We can bring a number of things to the table: protecting intellectual property (IP), enforcing the standards of using IP appropriately with licensing and upholding integrity standards as they relate to age and more. A lot of publishers have all these rules in place for the events they run. They have sophisticated processes in place for both vertically integrated and diversified space in the tournament organization.

The potential of the State recognizing the rules and processes needed for successful events and putting those into regulations can add long-term value to the product the State is offering through the Commission. It is a delicate balance, and we do not want to scare people away because that would be antithetical. If we get to a place where this is going to have the opposite effect, we should not do it.

SENATOR OHRENSCHALL:

Does the NAC regulate any Esports, or is it completely unregulated in Nevada? Senator Kieckhefer said that betting on Esports happens in Nevada. Can Mr. Burnett describe what happens now? Is it in sports books? How does he see it changing if this passes and we have an Esports Commission in Nevada in terms of people placing wagers on Esports in Nevada?

A. G. BURNETT (Former Chair, Nevada Gaming Commission):

Around the 2015-2016 time frame, Governor Brian Sandoval called the Gaming Policy Committee together. This Committee is comprised of industry, Legislators

and regulators. One of the topics discussed was wagering on Esports. Specifically, the question was whether Nevada sportsbooks should be allowed to take wagers on Esports events. As everyone on the Senate Committee on Judiciary knows, we hold our gaming regulatory system sacred. We did not want to allow our sportsbooks to hold wagering-type activities around events that may not be suitable. The Committee unanimously decided to allow taking wagers on Esports events. Sports betting in a safe and open fashion in Nevada is highly regulated. Since then, wagers have been taken by our Nevada sportsbooks on Esports events.

The process for doing that is technically deemed an "other event." Under NGC Regulation 22.120, subsection 2, the sports betting operator or licensed gaming operator makes an application to GCB, that then reviews the application, takes a look at the event and ensures the event meets the requirements in order for the book to be approved as safe wagering on that event. Things such as fairness of the match, integrity of the match, known outcome and outcomes verifiable by independent third parties are the kinds of guardrails in place.

That is the process used up until now, and I would anticipate the process going forward. I emphasize that this is completely different from gambling already happening in Nevada in a licensed fashion and outside of Nevada in other jurisdictions in the world in potentially a nonregulated fashion.

SENATOR HANSEN:

Are there other examples, like boxing, being regulated by a separate commission where the betting processes or gambling falls under the jurisdiction of the NGCB? With the Esports concept, there will be a regulatory commission, but any kind of betting would still fall under the jurisdiction of the NGCB or the NGC. Are there examples in Nevada right now?

MR. BURNETT:

In Nevada, the regulation of any activity deemed to be wagering in any way, shape or form is always regulated only by the NGCB or the NGC. When someone wants to take a wager related to anything, whether it is baseball, football, basketball or an Esports event, that wager is always conducted through licensed gaming operators. This Commission, as I understand it, would be an olive branch to the Esports industry to bring large-scale Esports events to

the State just like boxing does. If any gaming goes on regarding that event, it is always regulated by the NGCB and the NGC.

DYLAN KEITH (Vegas Chamber):

We support this bill because economic diversity is important, especially after the pandemic. This Commission will legitimize Esports in Nevada, attracting a younger and new demographic of tourists from all over the world. Diversification offers a new base and new opportunities. Along with this, the Esports Commission oversight and regulations will provide a more legitimate base for this operation.

CHRISTOPHER LAPORTE (CEO, RESET Las Vegas):

Senate Bill 165 with the discussed amendments has my full support. I have been involved in the Esports space in Las Vegas since 2005. Ten years ago, I owned a video game lounge in downtown Las Vegas. It was a small business venture but enjoyed up to \$4 million revenue annually and attracted local populations as well as international audiences. Today that same video game industry is valued at \$180 billion, four times what it was when my business, Insert Coins, opened. Esports represents a significant piece of this massive global market. To maintain our title of Entertainment Capital of the World, we must embrace the world of video gaming and Esports. This bill is a great first step to diversifying our amenities for both local businesses and the tourist economy. In 2003, a small community supported the Las Vegas Wranglers; that community investment created the Las Vegas Golden Knights. If we embrace Esports today and build a foundation for a significant partnership in this burgeoning industry, which is in need of regulation, we will succeed.

VIRGINIA VALENTINE (Nevada Resort Association):

I represent the Nevada Resort Association and more than 76 resort hotels across the State. We are in support of S.B. 165. We are very excited about the prospects. Esports competitions represent an emerging industry with significant growth potential. It is estimated that more than 5,000 Esports tournaments were held globally in 2019 and attracted millions of viewers. Esports is well on its way to becoming a billion-dollar industry with legions of devoted fans. Prior to the pandemic, Esports tournaments were gaining popularity in Las Vegas and drawing visitors from around the world. The timing fits perfectly with the recovery of Nevada's tourism industry. The creation of an Esports Commission will validate Esports competitions and ensure the integrity of games while attracting large events and the economic activity that comes with them. Where

better than Nevada to be the first to do this? Our gaming regulatory structure has long been deemed as the gold standard internationally and nationally, and has ensured the integrity of Nevada's largest industry. Modeling the Esports Commission after the NAC will establish Nevada as a leader in Esports and give the State a competitive advantage in attracting these high-profile events.

SAM McMULLEN (President, FiveGen):

My team and I are in favor of S.B. 165. Nevada is at the forefront of this industry and—if done correctly—will be recognized as the gold standard for Esports. I was involved with the video gaming and Esports industries during my undergraduate studies at the University of Southern California and then after my graduation in 2001. I have worked with many of the people who created and fostered the foundation on which this globally growing sport is built. Since 2015, I have been actively working to create a bridge between the global Esports industry and Nevada. Senate Bill 165 establishes the framework and is a good first step. Done correctly, this will provide an economic boost to our State through tourism. Esports will create new tourism that will bring with it additional revenues that will help with the quick recovery of our State. We are on the cusp of something great here, similar to where we were in the 1990s. As a State, we reinvented ourselves and benefited from our economy's great expansion through tourism revenues and economic development. I urge your passage of S.B. 165.

ZACH CONINE (State Treasurer):

I offer my support of this bill. Esports and the economic boost it brings have exploded. Nevada's history of effective regulation of contests of skill should put us in a position to benefit from it. We spend time discussing the best ways for our State to diversify our economy, to generate revenue and to build the Nevada we all deserve. This bill moves us closer to the goal, and I urge your support.

JENNIFER VERIVE:

I am calling in as a parent and adjunct faculty at Western Nevada College. I am excited to see this bill. My daughter is 14 years old and is an avid competitive gamer. Even though she is not an Esports athlete now, she may be one day. As a parent of a supersmart kid, it is important to me that our State takes the lead in this. This bill legitimizes the things important to her and to so many of her peers and kids in her generation. A lot of Esports athletes are teenagers in high school or college. The oversight this Commission could provide would be valuable. This not only affects Nevada, it is affecting people all over the world. I

would be proud for my daughter to participate in a process in the State where she was born leads the way. As a parent, I would feel better, and it would make what she does a real thing; as an academic, I can share some research that shows the average Esports athlete chooses a Science, Technology, Engineering and Mathematics college career. These smart kids, who we are supporting and developing into adults, can benefit from our State in so many ways.

ANDREW DISS (Meruelo Gaming):

I support S.B. 165. Our company views Esports as an opportunity to integrate into live entertainment offerings as well as incorporate into our wagering opportunities. This is why having robust integrity protections in place is so important. In Nevada, we know a thing or two about how to stand up effective commissions that bring increased oversight and integrity to things like gaming, boxing and mixed martial arts. These activities bring millions of visitors to our State each year. Esports events will do the same. As Mr. Hamilton said in his remarks, the average Esports fan is 27 years old, which fits well into one of the largest demographics to which we market. Over the last year, as weakening casinos have dealt with the impact of Covid-19, we began to see an uptick in nontraditional events being approved by the NGC for wagering. As Mr. Burnett said, this is something the State is already equipped to handle under Nevada Gaming Commission Regulation 22, and we expect to see this demand continuing. We support this growth.

TIMOTHY JOHNSON (Entertainment Software Association):

The Entertainment Software Association serves as the voice and advocate for the video game industry in the United States. Our member companies are the publishers of many of the biggest titles used in Esports games today. Earlier today, our team had a productive call with Senator Kieckhefer; however, our members still have concerns with how the bill is written, so we must oppose. We are committed to continue working with Senator Kieckhefer to address these concerns. Primarily, our members' concerns relate to the application of the bill to the unique aspects of Esports games, such as the presence of an underlying intellectual property. Additionally, our members who already take a number of steps to promote game integrity contend that if the regulations are overburdensome, they will have a chilling effect on the industry. We look forward to continuing the conversations with Senator Kieckhefer regarding our concerns.

TERRY REYNOLDS (Director, Department of Business and Industry):

The Department of Business and Industry concurs with the establishment of an Esports Commission that will benefit the State. This Department works with hotel, convention and community properties on events, both professional and amateur. We oversee 23 boards and commissions, 13 of which are professional regulatory boards. Six years ago, we worked with the NAC and then-Senator Mark Lipparelli on restructuring the funding and operation of the Nevada Athletic Commission, moving its revenue from the General Fund to a self-supporting organization. We have about six and a half staff members working with the NAC. The Commission was moved from the Department of Administration to the Office of the Governor, but we still work regularly with Mr. Bennett and the Commission on events. We have the experience and can answer questions about the creation of professional boards and funding of the operation of the Esports Commission when that topic is addressed.

SENATOR KIECKHEFER:

This needs to be a partnership with industry, and we agree to continue having conversations about that added value and ensure that we are on the same page doing something that can benefit everyone. It is about bringing more people to our State, creating a technology ecosystem directly in line with our economic development plan and supporting the Governor's proposal to bring remote work into our State in a new way.

CHAIR SCHEIBLE:

The hearing on S.B.165 is hereby closed. We are open for public comment.

ANNEMARIE GRANT:

My brother Thomas Purdy was killed when he was hogtied for 45 minutes by Reno Police during a mental health crisis and then asphyxiated to death while still hogtied. In a prone position, my brother had been noncombative, nonassaultive, unarmed and asked for help. It is the little things I miss the most from my brother. A hug, a phone call, the way he was so protective of my son. He would always make sure that nobody was bothering my son. I miss hearing him say "I love you" at the end of our conversations. My brother was the father of two children who were ten and eight years old at the time he was killed by police. I have to bear witness to the brutality and detrimental effect it had on their lives. I have not slept over three hours a night since October 4, 2015. Try to imagine the child who is having to process that a parent was asphyxiated to death by the police, people they have been taught would protect them. Please

Senate Committee on Judiciary  
March 17, 2021  
Page 19

support bills that promote transparency and accountability. Please do not support those that provide any further protection to police than they already have in the Peace Officers Bill of Rights. My family and so many other families are counting on you. Nevada has several George Floyds of its own, including my brother and two other men who were also asphyxiated.

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Senate Committee on Judiciary  
March 17, 2021  
Page 20

CHAIR SCHEIBLE:  
The meeting is adjourned at 2:31 p.m.

RESPECTFULLY SUBMITTED:

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Sally Ramm,  
Committee Secretary

APPROVED BY:

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Senator Melanie Scheible, Chair

DATE: \_\_\_\_\_

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
S.B. 165	B	1	Senator Ben Kieckhefer	Introductory Presentation
S.B. 165	C	1	Senator Ben Kieckhefer	Conceptual Amendments