

Amendment No. 423

Senate Amendment to Senate Bill No. 14	(BDR 41-259)
Proposed by: Senate Committee on Judiciary	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.



SENATE BILL NO. 14—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE NEVADA GAMING CONTROL BOARD)

PREFILED NOVEMBER 16, 2022

Referred to Committee on Judiciary

SUMMARY—Makes various changes related to gaming. (BDR 41-259)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
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; authorizing ~~the Nevada Gaming Commission to adopt regulations allowing~~ the Chair of the Nevada Gaming Control Board to administratively approve certain persons to temporarily engage in certain gaming activities or receive proceeds therefrom without procuring a state gaming license; revising the definition of “gaming employee”; revising provisions relating to delinquent debt owed to the Board that is determined to be impossible or impracticable to collect; ~~requiring the judicial review of~~ revising provisions concerning the general powers and duties of the Board and the Nevada Gaming Commission; expanding the activities that are included in the operation of a race book or sports pool; authorizing persons aggrieved by final decisions or orders of the Commission relating to disciplinary matters ~~and actions for declaratory judgments concerning provisions of law and regulations relating to gaming to be heard in the First Judicial District Court of the State of Nevada~~ to obtain a judicial review of a decision or order in the district court in and for Carson City; providing that any person authorized to receive a share of the revenue from a slot machine operated on the premises of a gaming licensee is liable for his or her proportionate share of a license fee for the slot machines; including additional fees for which prepayment credit may be granted with regard to continuing operations; ~~providing that members of the Commission may elect not to participate in the Public Employees’ Retirement System;~~ authorizing the Commission to adopt certain regulations defining the scope of the power and authority of the Board and Commission relating to interactive gaming service providers and service providers; exempting persons who accept employment or an independent contract with the Commission as a Commissioner appointed by the Governor from certain provisions of law

governing the employment of retired public employees; and
providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law prohibits, in general, a person from engaging in certain activities relating to gaming without procuring a state gaming license. (NRS 463.160, 463.162, 463.650) **Section 1** of this bill authorizes the ~~[Nevada Gaming Commission to adopt regulations allowing the]~~ Chair of the Nevada Gaming Control Board , in the sole and absolute discretion of the Chair, to administratively approve certain persons associated with a holder of a license issued by the Nevada Gaming Commission who is deceased ~~[licensee]~~ or ~~[a licensee]~~ who has been judicially declared to be disabled to temporarily engage in such activities or receive proceeds therefrom without procuring a state gaming license. ~~[Section 1 requires that an administrative approval issued by the Chair of the Board be limited to such time as the Chair deems necessary to settle the estate of a deceased licensee or dispose of the assets of a licensee who has been judicially declared to be disabled.]~~ **Section 1** authorizes the Chair ~~to extend such an amount of time if he or she determines the extension is necessary and appropriate and]~~ to condition or limit an administrative approval in any manner he or she deems necessary and appropriate. **Section 1** further provides that a person who is administratively approved by the Chair to temporarily engage in certain gaming activities or receive proceeds therefrom without procuring a state gaming license is : (1) required to comply with the provisions of law and regulations governing gaming; and (2) subject to: ~~[(1) the same requirements as a person who engages in such activities and has procured a state gaming license; and (2)]~~ disciplinary action for any violation of such ~~[requirements.]~~ provisions. Sections 3, 4 and 9 of this bill make conforming changes by referring to such an exception for temporary administrative approval in the applicable provisions of law governing the gaming activities for which a state gaming license is otherwise required.

Existing law requires gaming employees to be registered with the Board and defines the term "gaming employee." (NRS 463.0157, 463.335) Section 1.5 of this bill revises the definition of the term "gaming employee" to clarify which persons are required to be registered with the Board.

Existing law requires, in general, state agencies to coordinate their debt collection efforts through the State Controller and assign debts to the State Controller for collection. (NRS 353C.195) If the State Controller determines that it is impossible or impractical to collect a debt, he or she is authorized to request that the State Board of Examiners designate the debt as a bad debt. (NRS 353C.220) Existing law requires the Nevada Gaming Control Board to: (1) prepare and furnish to the Commission an annual report that shows all debts owed to the Board that became or remained delinquent during the preceding year and includes the amount of any delinquent debt that the Board determines is impossible or impractical to collect; and (2) request that the State Board of Examiners designate any amount of delinquent debt determined to be impossible or impractical to collect as bad debt. (NRS 463.123) **Section 2** of this bill authorizes the Nevada Gaming Control Board to designate as bad debt any amount of debt it assigned to the State Controller for collection that the Board determines is impossible or impractical to collect instead of having to request that the State Board of Examiners designate the debt as a bad debt. **Section 2** also provides that if the State Controller determines that it is impossible or impractical to collect a debt assigned by the Board, he or she is required to request that the State Board of Examiners designate the debt as a bad debt. **Section 11** of this bill makes a conforming change to refer to the exception that the State Controller is required, instead of authorized, to request that the State Board of Examiners designate the debt as a bad debt under **section 2**.

Existing law ~~authorizes any person aggrieved by a final decision or order of the Commission made after a disciplinary hearing or rehearing to obtain a judicial review of the decision or order in the district court of the county in which the petitioner resides or has his, her or its principal place of business. (NRS 463.315)]~~ establishes the general powers and duties of the Board and Commission. (NRS 463.140) Section 2.5 of this bill requires that the provisions of law governing gaming that relate to any license, registration, finding of suitability or other approval or authorization be administered by the Board and the Commission. Section 2.5 also establishes an exception to certain authorized actions of the Board, the Commission and their agents.

Existing law requires a person to procure and maintain all applicable gaming licenses and registrations in order to operate a race book or sports pool and sets forth the activities that are included in the operation of a race book or sports pool. (NRS 463.160) Section 3 expands such activities that are included in the operation of a race book or sports pool.

Existing law ~~false~~ authorizes the Board or Commission or certain persons to obtain a judicial determination of any construction or validity arising under certain provisions of law governing gaming or any regulation of the Commission by bringing an action for a declaratory judgment in the: (1) First Judicial District Court of the State of Nevada in and for Carson City; or (2) district court of the district in which the plaintiff resides or does business. (NRS 463.343) ~~Sections~~ Existing law also authorizes any person aggrieved by a final decision or order of the Commission made after a disciplinary hearing or rehearing to obtain a judicial review of the decision or order in the district court of the county in which the petitioner resides or has his, her or its principal place of business. (NRS 463.315) Section 5 ~~and 6~~ of this bill ~~[, respectively, authorize]~~ additionally authorizes a person to obtain such a judicial review ~~[or judicial determination only]~~ in the ~~[First Judicial District Court of the State of Nevada]~~ district court in and for Carson City. Section 6 of this bill revises certain language relating to bringing an action for a declaratory judgment to more closely resemble the language used in section 5.

Existing law: (1) requires the Commission to charge and collect a license fee from an applicant for a restricted operation for each slot machine for each quarter year before the Commission issues a state gaming license to the applicant; and (2) establishes when the license fee must be paid. (NRS 463.373) Section 7 of this bill provides that any person who is authorized to receive a share of the revenue from any slot machine that is operated on the premises of a licensee is liable to the licensee for the person's proportionate share of the license fee and is required to remit or credit his or her proportionate share to the licensee on or before certain dates.

Existing law provides that if the Commission approves the issuance of a license for gaming operations at the same location that is currently licensed or, if the license is for the operation of a slot machine route, locations that are currently licensed, the Chairs of the Board and Commission are authorized in certain circumstances to administratively determine that for the purposes of certain fees, the license shall be deemed transferred, the previously licensed operation shall be deemed a continuing operation and credit must be granted for prepaid license fees. (NRS 463.386) Section 8 of this bill includes additional fees for which prepayment credit must be granted with respect to a continuing operation.

Existing law: (1) authorizes the Commission to provide by regulation for the licensing of an interactive gaming service provider, the registration of a service provider and the operation of such a service provider or interactive gaming service provider; and (2) requires such regulations to provide that the premises on which an interactive service provider and a service provider conducts its operations are subject to the power and authority of the Board and Commission, as though gaming is conducted on the premises and the interactive gaming service provider or service provider is a gaming licensee. (NRS 463.677) Section 9.3 of this bill instead authorizes the Commission to adopt regulations that define the scope of the power and authority of the Board and Commission as it deems appropriate based on the type and function of the specific interactive gaming service provider or service provider. Sections 9.5 and 9.7 of this bill make conforming changes to refer to provisions that have been renumbered by section 9.3.

Existing law ~~[requires members of the Commission to participate in the Public Employees Retirement System]~~ establishes provisions concerning the employment of retired public employees and provides that a person who accepts employment or an independent contract with certain entities is exempt from certain provisions of existing law for the duration of the employment or contract. (NRS ~~[286.293]~~ 286.520) Section ~~[10]~~ 10.5 of this bill ~~[provides that members of]~~ also exempts a person who accepts employment or an independent contract with the Commission ~~[may elect not to participate in the System]~~ as a Commissioner appointed by the Governor from such provisions for the duration of the employment or contract.

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

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

1. ~~The [Commission may adopt regulations authorizing the]~~ Chair of the Board ~~[to]~~ may, in the sole and absolute discretion of the Chair, administratively approve the spouse, next of kin, personal representative, guardian or heir of a ~~[licensee]~~ holder of a license issued by the Commission who is deceased or has been judicially declared to be disabled to temporarily engage in any of the activities set forth in subsection 1 of NRS 463.160, subsection 1 of NRS 463.162 or subsection 1 of NRS 463.650 ~~[for which a state gaming license is required]~~ or receive proceeds therefrom without procuring a state gaming license.

2. ~~[An administrative approval issued by the Chair of the Board pursuant to subsection 1 must be limited to such time as the Chair determines is reasonably necessary to settle the estate of a licensee who is deceased or to dispose of the assets of a licensee who has been judicially declared to be disabled. The Chair may extend such an amount of time if he or she determines an extension is necessary and appropriate.]~~

~~3.]~~ The Chair of the Board may condition or limit an administrative approval issued pursuant to subsection 1 in any manner the Chair deems necessary and appropriate.

~~4.]~~ 3. A person who is administratively approved by the Chair of the Board to temporarily engage in any of the activities set forth in subsection 1 of NRS 463.160, subsection 1 of NRS 463.162 or subsection 1 of NRS 463.650 ~~[for which a state gaming license is required]~~ or receive proceeds therefrom without procuring a state gaming license; ~~[is subject to:]~~

(a) ~~[The same requirements as a person who engages in such activities and has procured a state gaming license.]~~ Shall comply with the provisions of chapter 463 of NRS and all regulations adopted thereunder; and

(b) ~~[Disciplinary]~~ Is subject to disciplinary action for any violation of those ~~[requirements]~~ provisions as set forth in NRS 463.310 to 463.318, inclusive.

Sec. 1.5. NRS 463.0157 is hereby amended to read as follows:

463.0157 1. "Gaming employee" means any ~~[person connected directly with]~~ employee, temporary employee or other representative of 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, whose job duties pertain to the operation, control or outcome of any gambling game or the access, transport or review of any gaming revenue, including ~~[it],~~ without limitation;

(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;]~~ Table games personnel;

(c) ~~[Cashiers;]~~ Cage and counting room personnel;

(d) ~~[Change;]~~ Slot personnel;

(e) ~~[Counting room;]~~ Keno personnel;

(f) ~~[Dealers;]~~ Race book and sports pool personnel;

(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

1 person involved in assisting the person in carrying out the duties of the person in
2 this State;

3 (i) Employees of a person required by paragraph (e) of subsection 1 of NRS
4 463.160 to be registered to operate as a cash access and wagering instrument
5 service provider;

6 (j) Employees whose duties are directly involved with the manufacture, repair,
7 sale or distribution of gaming devices, associated equipment when the employer is
8 required by NRS 463.650 to be licensed, cashless wagering systems or interactive
9 gaming systems;

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

12 ~~—(l)~~ Employees of operators of interactive gaming systems whose duties
13 include the operational or supervisory control of the systems or the games that are
14 part of the systems;

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

18 ~~—(n)~~ (m) Employees who have access to the Board's system of records for the
19 purpose of processing the registrations of gaming employees that a licensee is
20 required to perform pursuant to the provisions of this chapter and any regulations
21 adopted pursuant thereto;

22 ~~—(o) Floorpersons;~~

23 ~~—(p)~~ (n) Information technology personnel who have operational or
24 supervisory control over information technology systems associated with any of
25 the matters related to gaming described in this subsection;

26 (o) Hosts or other persons empowered to extend credit or complimentary
27 services;

28 ~~—(q) Keno runners;~~

29 ~~—(r) Keno writers;~~

30 ~~—(s)~~ related to gaming;

31 ~~—(t)~~ (p) Machine mechanics;

32 ~~—(u)~~ (q) Odds makers and line setters;

33 ~~—(v)~~ (r) Security personnel;

34 ~~—(w)~~ (s) Shift or pit bosses;

35 ~~—(x)~~ (t) Shifts;

36 ~~—(y)~~ (u) Supervisors or managers;

37 ~~—(z) Ticket writers;~~

38 ~~—(aa)~~ whose duties include the supervision of employees described in this
39 subsection;

40 (v) Employees of a person required by NRS 463.160 to be licensed to operate
41 an information service;

42 ~~—(bb) Employees of a licensee who have local access and provide management,~~
43 ~~support, security or disaster recovery services for any hardware or software that is~~
44 ~~regulated pursuant to the provisions of this chapter and any regulations adopted~~
45 ~~pursuant thereto;~~

46 ~~—(cc) Temporary or contract employees hired by a licensee to perform a~~
47 ~~function related to gaming; and~~

48 ~~—(dd)~~ (w) Club venue employees; and

49 (x) Other persons whose duties are similar to the classifications set forth in
50 paragraphs (a) to ~~—(bb)~~ (w), inclusive, as the Commission may from time to time
51 designate by regulation.

2. "Gaming employee" does not include ~~barbacks or bartenders,~~ employees whose duties do not involve gaming activities, ~~cocktail servers or other~~ persons engaged exclusively in preparing or serving food or beverages ~~for~~.

~~3. As used in this section, "local access" means access to hardware or software from within a licensed gaming establishment, hosting center or elsewhere within this State.~~ or persons involved primarily in the resort or hotel functions of a licensed gaming establishment.

Sec. 2. NRS 463.123 is hereby amended to read as follows:

463.123 1. On or before January 15 of each year, the Board shall prepare and furnish to the Commission a report that shows all debts owed to the Board that became or remained delinquent during the preceding year. The Board shall include in the report the amount of any delinquent debt that the Board determines is impossible or impractical to collect.

2. For any amount of debt the ~~[Nevada Gaming Control]~~ Board *has assigned to the State Controller for collection pursuant to NRS 353C.195 that:*

(a) *The Board* determines is impossible or impractical to collect, the ~~[Nevada Gaming Control]~~ Board ~~[shall request that the State Board of Examiners]~~ *may* designate such amount as a bad debt ~~[. The State Board of Examiners, by an affirmative vote of the majority of the members of the State Board of Examiners, may designate the debt as bad debt if the State Board of Examiners is satisfied that the collection of the debt is impossible or impractical. If the amount of the debt is not more than \$50, the State Board of Examiners may delegate to its Clerk the authority to designate the debt as a bad debt. The Nevada Gaming Control Board may appeal to the State Board of Examiners a denial by the Clerk of a request to designate a debt as a bad debt.]~~

~~3. Upon the designation of a debt as a bad debt pursuant to this section, the State Board of Examiners or its Clerk shall immediately notify the State Controller thereof. Upon receiving the notification, the State Controller shall direct the removal of the bad debt from the books of account of the State of Nevada. A bad debt that is removed pursuant to this section remains a legal and binding obligation owed by the debtor to the State of Nevada.~~

~~4. The State Controller shall keep a master file of all debts that are designated as bad debts pursuant to this section. For each such debt, the State Controller shall record the name of the debtor, the amount of the debt, the date on which the debt was incurred and the date on which it was removed from the records and books of account of the State of Nevada, and any other information concerning the debt that the State Controller determines is necessary.] and shall notify the State Controller of such a designation. Upon approval by the Chair of the Board, the bad debt may be removed from the books of the account of the Board.~~

(b) *The State Controller determines is impossible or impractical to collect, the State Controller shall request the State Board of Examiners to designate the debt as a bad debt in accordance with NRS 353C.220.*

Sec. 2.5. NRS 463.140 is hereby amended to read as follows:

463.140 1. The provisions of this chapter with respect to ~~[state gaming licenses and manufacturer's, seller's and distributor's licenses]~~ any license, registration, finding of suitability or other approval or authorization must be administered by the Board and the Commission, which shall administer them for the protection of the public and in the public interest in accordance with the policy of this state.

2. ~~[The]~~ Except as otherwise provided in this chapter, the Board and the Commission and their agents may:

(a) Inspect and examine all premises wherein gaming is conducted or gambling devices or equipment are manufactured, sold or distributed.

(b) Inspect all equipment and supplies in, upon or about such premises.

(c) Summarily seize and remove from such premises and impound any equipment, supplies, documents or records for the purpose of examination and inspection.

(d) Demand access to and inspect, examine, photocopy and audit all papers, books and records of any applicant or licensee, on his or her premises, or elsewhere as practicable, and in the presence of the applicant or licensee, or his or her agent, respecting the gross income produced by any gaming business, and require verification of income, and all other matters affecting the enforcement of the policy or any of the provisions of this chapter.

(e) Demand access to and inspect, examine, photocopy and audit all papers, books and records of any affiliate of a licensee whom the Board or Commission knows or reasonably suspects is involved in the financing, operation or management of the licensee. The inspection, examination, photocopying and audit may take place on the affiliate's premises or elsewhere as practicable, and in the presence of the affiliate or its agent.

3. For the purpose of conducting audits after the cessation of gaming by a licensee, the former licensee shall furnish, upon demand of an agent of the Board, books, papers and records as necessary to conduct the audits. The former licensee shall maintain all books, papers and records necessary for audits for 1 year after the date of the surrender or revocation of his or her gaming license. If the former licensee seeks judicial review of a deficiency determination or files a petition for a redetermination, the former licensee must maintain all books, papers and records until a final order is entered on the determination.

4. The Board may investigate, for the purpose of prosecution, any suspected criminal violation of the provisions of this chapter, chapter 205 of NRS involving a crime against the property of a gaming licensee, NRS 207.195 or chapter 462, 463B, 464, 465 or 466 of NRS.

5. The Board and the Commission or any of its members has full power and authority to issue subpoenas and compel the attendance of witnesses at any place within this state, to administer oaths and to require testimony under oath. Any process or notice may be served in the manner provided for service of process and notices in civil actions. The Board or the Commission may pay such transportation and other expenses of witnesses as it may deem reasonable and proper. Any person making false oath in any matter before either the Board or Commission is guilty of perjury. The Board and Commission or any member thereof may appoint hearing examiners who may administer oaths and receive evidence and testimony under oath.

Sec. 3. NRS 463.160 is hereby amended to read as follows:

463.160 1. Except as otherwise provided in subsection 3 and NRS 462.155 and 463.172 **and section 1 of this act**, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others:

(a) To deal, operate, carry on, conduct, maintain or expose for play in the State of Nevada any gambling game, gaming device, slot machine, race book or sports pool;

(b) To provide or maintain any information service;

(c) To operate a gaming salon;

(d) To receive, directly or indirectly, any compensation or reward or any percentage or share of the money or property played, for keeping, running or carrying on any gambling game, slot machine, gaming device, race book or sports pool;

(e) To operate as a cash access and wagering instrument service provider; or

(f) To operate, carry on, conduct, maintain or expose for play in or from the State of Nevada any interactive gaming system,
without having first procured, and thereafter maintaining in effect, all federal, state, county and municipal gaming licenses or registrations as required by statute, regulation or ordinance or by the governing board of any unincorporated town.

2. Except as otherwise provided in subsection 3, it is unlawful for any person knowingly to permit any gambling game, slot machine, gaming device, race book or sports pool to be conducted, operated, dealt or carried on in any house or building or other premises owned by the person, in whole or in part, by a person who is not licensed pursuant to this chapter, or that person's employee.

3. The Commission may, by regulation, authorize a person to own or lease gaming devices for the limited purpose of display or use in the person's private residence without procuring a state gaming license.

4. For the purposes of this section, the operation of a race book or sports pool includes ~~making~~ without limitation:

(a) Controlling the types of wagers that will be accepted, including, without limitation, controlling the setting of lines, point spreads and odds;

(b) Representing to the public that the person is operating a race book or sports pool;

(c) Having responsibility for the financial success or failure of a race book or sports pool; or

(d) Making the premises available for any of the following purposes:

~~(a)~~ (1) Allowing patrons to establish an account for wagering with the race book or sports pool;

~~(b)~~ (2) Accepting wagers from patrons;

~~(c)~~ (3) Allowing patrons to place wagers;

~~(d)~~ (4) Paying winning wagers to patrons; or

~~(e)~~ (5) Allowing patrons to withdraw cash from an account for wagering or to be issued a ticket, receipt, representation of value or other credit representing a withdrawal from an account for wagering that can be redeemed for cash,

whether by a transaction in person at an establishment or through mechanical means, such as a kiosk or similar device, regardless of whether that device would otherwise be considered associated equipment. A separate license must be obtained for each location at which such an operation is conducted.

Sec. 4. NRS 463.162 is hereby amended to read as follows:

463.162 1. Except as otherwise provided in subsections 2 and 3 ~~and~~ and section 1 of this act, it is unlawful for any person to:

(a) Lend, let, lease or otherwise deliver or furnish any equipment of any gambling game, including any slot machine, for any interest, percentage or share of the money or property played, under guise of any agreement whatever, without having first procured a state gaming license.

(b) Lend, let, lease or otherwise deliver or furnish, except by a bona fide sale or capital lease, any slot machine under guise of any agreement whereby any consideration is paid or is payable for the right to possess or use that slot machine, whether the consideration is measured by a percentage of the revenue derived from the machine or by a fixed fee or otherwise, without having first procured a state gaming license for the slot machine.

(c) Furnish services or property, real or personal, on the basis of a contract, lease or license, pursuant to which that person receives payments based on earnings or profits from any gambling game, including any slot machine, without having first procured a state gaming license.

2. The provisions of subsection 1 do not apply to any person:

1 (a) Whose payments are a fixed sum determined in advance on a bona fide
2 basis for the furnishing of services or property other than a slot machine.

3 (b) Who furnishes services or property under a bona fide rental agreement or
4 security agreement for gaming equipment.

5 (c) That is a wholly owned subsidiary of:

6 (1) A corporation, limited partnership or limited-liability company holding
7 a state gaming license; or

8 (2) A holding company or intermediary company, or publicly traded
9 corporation, that has registered pursuant to NRS 463.585 or 463.635 and which has
10 fully complied with the laws applicable to it.

11 (d) Who is licensed as a manufacturer or distributor pursuant to NRS 463.650.

12 (e) Who is found suitable by the Commission to act as an independent agent.

13 ➤ Receipts or rentals or charges for real property, personal property or services do
14 not lose their character as payments of a fixed sum or as bona fide because of
15 provisions in a contract, lease or license for adjustments in charges, rentals or fees
16 on account of changes in taxes or assessments, escalations in the cost-of-living
17 index, expansions or improvement of facilities, or changes in services supplied.
18 Receipts of rentals or charges based on percentage between a corporate licensee or
19 a licensee who is a limited partnership or limited-liability company and the entities
20 enumerated in paragraph (c) are permitted under this subsection.

21 3. The Commission may, upon the issuance of its approval or a finding of
22 suitability, exempt a holding company from the licensing requirements of
23 subsection 1.

24 4. The Board may require any person exempted by the provisions of
25 subsection 2 or paragraph (b) of subsection 1 to provide such information as it may
26 require to perform its investigative duties.

27 5. The Board and the Commission may require a finding of suitability or the
28 licensing of any person who:

29 (a) Owns any interest in the premises of a licensed establishment or owns any
30 interest in real property used by a licensed establishment whether the person leases
31 the property directly to the licensee or through an intermediary.

32 (b) Repairs, rebuilds or modifies any gaming device.

33 (c) Manufactures or distributes chips or gaming tokens for use in this state.

34 (d) Operates a call center within this State as an agent of a licensed race book
35 or sports pool in this State in accordance with the regulations adopted by the
36 Commission.

37 (e) Has invented, has developed or owns the intellectual property rights to a
38 game for which approval by the Commission is being sought or has been received
39 in accordance with the regulations adopted by the Commission.

40 6. If the Commission finds a person described in subsection 5 unsuitable, a
41 licensee shall not enter into any contract or agreement with that person without the
42 prior approval of the Commission. Any other agreement between the licensee and
43 that person must be terminated upon receipt of notice of the action by the
44 Commission. Any agreement between a licensee and a person described in
45 subsection 5 shall be deemed to include a provision for its termination without
46 liability on the part of the licensee upon a finding by the Commission that the
47 person is unsuitable. Failure expressly to include that condition in the agreement is
48 not a defense in any action brought pursuant to this section to terminate the
49 agreement. If the application is not presented to the Board within 30 days after
50 demand, the Commission may pursue any remedy or combination of remedies
51 provided in this chapter.

1 **Sec. 5.** NRS 463.315 is hereby amended to read as follows:

2 463.315 1. Any person aggrieved by a final decision or order of the
3 Commission made after hearing or rehearing by the Commission pursuant to NRS
4 463.312 to 463.3145, inclusive, and whether or not a petition for rehearing was
5 filed, may obtain a judicial review thereof in the district court ~~for~~ in and for
6 Carson City, the district court in and for the county in which the petitioner resides
7 or the district court in and for the county in which the petitioner has his, her or its
8 principal place of business. ~~[First Judicial District Court of the State of Nevada in~~
9 ~~and for Carson City.]~~

10 2. The judicial review must be instituted by filing a petition within 20 days
11 after the effective date of the final decision or order. A petition may not be filed
12 while a petition for rehearing or a rehearing is pending before the Commission. The
13 petition must set forth the order or decision appealed from and the grounds or
14 reasons why petitioner contends a reversal or modification should be ordered.

15 3. Copies of the petition must be served upon the Commission and all other
16 parties of record, or their counsel of record, either personally or by certified mail.

17 4. The court, upon a proper showing, may permit other interested persons to
18 intervene as parties to the appeal or as friends of the court.

19 5. The filing of the petition does not stay enforcement of the decision or order
20 of the Commission, but the Commission itself may grant a stay upon such terms
21 and conditions as it deems proper.

22 6. If judicial review is sought in any case in which a supervisor has been
23 appointed pursuant to NRS 463B.010 to 463B.280, inclusive, the district court shall
24 give priority to that review over other civil actions.

25 **Sec. 6.** NRS 463.343 is hereby amended to read as follows:

26 463.343 1. The Board or Commission or any applicant, licensee, association
27 of licensees, nonprofit corporation that represents licensees, person found suitable,
28 holding company, intermediary company or publicly traded corporation which is
29 registered with the Commission may obtain a judicial determination of any question
30 of construction or validity arising under this chapter, chapter 462 of NRS or any
31 regulation of the Commission by bringing an action for a declaratory judgment in the
32 ~~[First Judicial District Court of the State of Nevada]~~ district court in and for
33 Carson City ~~[.]~~ or [in] the district court ~~for~~ in and for the [district] county in which
34 the plaintiff resides or does business. in accordance with the provisions of chapter
35 30 of NRS.

36 2. When an action is brought by a person other than the Board or
37 Commission, the Commission must be made a party to the action and the Attorney
38 General must be served with a copy of the complaint and is entitled to appear in the
39 action.

40 3. Statutes and regulations reviewed pursuant to this section must be
41 construed in a manner consistent with the declared policy of the State.

42 4. The filing of a complaint for judicial determination under this section does
43 not stay enforcement of any Commission or Board action. The Board or
44 Commission may grant a stay upon appropriate terms.

45 5. In any proceeding brought under this section, the district court shall not
46 grant any injunctive relief or relief based upon any other extraordinary common-
47 law writ to:

48 (a) Any applicant for licensing, finding of suitability or registration;

49 (b) Any person who has been ordered by the Board or Commission to submit
50 his or her application for licensing, finding of suitability or registration;

51 (c) Any person seeking judicial review of an action of the Commission which
52 is subject to the provisions of NRS 463.315 to 463.318, inclusive; or

(d) Any person who is adversely affected by the appointment of a supervisor pursuant to chapter 463B of NRS.

Sec. 7. NRS 463.373 is hereby amended to read as follows:

463.373 1. Before issuing a state gaming license to an applicant for a restricted operation, the Commission shall charge and collect from the applicant for each slot machine for each quarter year:

(a) A license fee of \$81 for each slot machine if the applicant will have at least 1 but not more than 5 slot machines.

(b) A license fee of \$405 plus \$141 for each slot machine in excess of 5 if the applicant will have at least 6 but not more than 15 slot machines.

2. The Commission shall charge and collect the fee prescribed in subsection 1:

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

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

3. Except as otherwise provided in NRS 463.386, no proration of the fee prescribed in subsection 1 may be allowed for any reason.

4. The operator of the location where slot machines are situated shall pay the fee prescribed in subsection 1 upon the total number of slot machines situated in that location, whether or not the machines are owned by one or more licensee-owners.

5. Any person who is authorized to receive a share of the revenue from any slot machine that is operated on the premises of a licensee is liable to the licensee for that person's proportionate share of the fee prescribed in subsection 1 and shall remit or credit his or her full proportionate share to the licensee on or before the last day of the last month in a calendar quarter, if the licensee is paying the fee in accordance with paragraph (a) of subsection 2, or, if the licensee is paying the fee in accordance with paragraph (b) of subsection 2, on or before the date on which the licensee pays the fee. A licensee is not liable to any person who is authorized to receive a share of the revenue from any slot machine that is operated on the premises of the licensee for that person's proportionate share of the fee prescribed in subsection 1.

Sec. 8. NRS 463.386 is hereby amended to read as follows:

463.386 1. If the Commission approves the issuance of a license for gaming operations at the same location that is currently licensed, or locations that are currently licensed if the license is for the operation of a slot machine route, the Chair of the Board, in consultation with the Chair of the Commission may administratively determine that, for the purposes of NRS 463.370, ~~and~~ 463.373 to 463.3855, inclusive, *463.450, 463.660, 463.677, 463.760, 463.765 and 464.015*, the gaming license shall be deemed transferred, the previously licensed operation shall be deemed a continuing operation and credit must be granted for prepaid license fees, if the Chair of the Board makes a written finding that such determination is consistent with the public policy of this State pursuant to NRS 463.0129.

2. The Chair of the Board may refer a request for administrative determination pursuant to this section to the Board and the Commission for consideration, or may deny the request for any reasonable cause. A denial may be submitted for review by the Board and the Commission in the manner set forth by the regulations adopted by the Commission which pertain to the review of administrative approval decisions.

3. Except as otherwise provided in this section, no credit or refund of fees or taxes may be made because a gaming establishment ceases operation.

4. The Commission may, with the advice and assistance of the Board, adopt regulations consistent with the policy, objects and purposes of this chapter as it may deem necessary to carry out the provisions of this section.

Sec. 9. NRS 463.650 is hereby amended to read as follows:

463.650 1. Except as otherwise provided in subsections 2 to 7, inclusive, *and section 1 of this act*, it is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to operate, carry on, conduct or maintain any form of manufacture, selling or distribution of any gaming device, cashless wagering system or interactive gaming system for use or play in Nevada without first procuring and maintaining all required federal, state, county and municipal licenses.

2. A lessor who specifically acquires equipment for a capital lease is not required to be licensed under this section.

3. The holder of a state gaming license or the holding company of a corporation, partnership, limited partnership, limited-liability company or other business organization holding a license may, within 2 years after cessation of business or upon specific approval by the Board, dispose of by sale in a manner approved by the Board, any or all of its gaming devices, including slot machines and cashless wagering systems, without a distributor's license. In cases of bankruptcy of a state gaming licensee or foreclosure of a lien by a bank or other person holding a security interest for which gaming devices are security in whole or in part for the lien, the Board may authorize the disposition of the gaming devices without requiring a distributor's license.

4. The Commission may, by regulation, authorize a person who owns:

(a) Gaming devices for home use in accordance with NRS 463.160; or

(b) Antique gaming devices,

↳ to sell such devices without procuring a license therefor to residents of jurisdictions wherein ownership of such devices is legal.

5. Upon approval by the Board, a gaming device owned by:

(a) A law enforcement agency;

(b) A court of law; or

(c) A gaming device repair school licensed by the Commission on Postsecondary Education,
↳ may be disposed of by sale, in a manner approved by the Board, without a distributor's license. An application for approval must be submitted to the Board in the manner prescribed by the Chair.

6. A manufacturer who performs any action described in paragraph (a), (b) or (c) of subsection 1 of NRS 463.01715 is not required to be licensed under the provisions of this section with respect to the performance of that action if another manufacturer who is licensed under the provisions of this section assumes responsibility for the performance of that action.

7. An independent contractor who designs, develops, programs, produces or composes a control program for use in the manufacture of a gaming device that is for use or play in this State is not required to be licensed under the provisions of this section with respect to the design, development, programming, production or composition of a control program if a manufacturer who is licensed under the provisions of this section assumes responsibility for the design, development, programming, production or composition of the control program.

8. Any person who the Commission determines is a suitable person to receive a license under the provisions of this section may be issued a manufacturer's or distributor's license. The burden of proving his or her qualification to receive or hold a license under this section is at all times on the applicant or licensee.

9. Every person who must be licensed pursuant to this section is subject to the provisions of NRS 463.482 to 463.645, inclusive, unless exempted from those provisions by the Commission.

10. The Commission may exempt, for any purpose, a manufacturer, seller or distributor from the provisions of NRS 463.482 to 463.645, inclusive, if the Commission determines that the exemption is consistent with the purposes of this chapter.

11. Any person conducting business in Nevada who is not required to be licensed as a manufacturer, seller or distributor pursuant to subsection 1, but who otherwise must register with the Attorney General of the United States pursuant to Title 15 of U.S.C., must submit to the Board a copy of such registration within 10 days after submission to the Attorney General of the United States.

12. It is unlawful for any person, either as owner, lessee or employee, whether for hire or not, to knowingly distribute any gaming device, cashless wagering system, interactive gaming system or associated equipment from Nevada to any jurisdiction where the possession, ownership or use of any such device, system or equipment is illegal.

13. As used in this section:

(a) "Antique gaming device" means a gaming device that was manufactured before 1961.

(b) "Assume responsibility" has the meaning ascribed to it in NRS 463.01715.

(c) "Control program" has the meaning ascribed to it in NRS 463.0155.

(d) "Holding company" has the meaning ascribed to it in NRS 463.485.

(e) "Independent contractor" has the meaning ascribed to it in NRS 463.01715.

Sec. 9.3. NRS 463.677 is hereby amended to read as follows:

463.677 1. The Legislature finds that:

(a) Technological advances have evolved which allow licensed gaming establishments to expose games, including, without limitation, system-based and system-supported games, gaming devices, interactive gaming, cashless wagering systems or race books and sports pools, and to be assisted by an interactive gaming service provider or a service provider, as applicable, who provides important services to the public with regard to the conduct and exposure of such games.

(b) To protect and promote the health, safety, morals, good order and general welfare of the inhabitants of this State, and to carry out the public policy declared in NRS 463.0129, it is necessary that the Board and Commission have the ability to:

(1) License interactive gaming service providers;

(2) Register service providers; and

(3) Maintain strict regulation and control of the operation of such interactive gaming service providers or service providers, respectively, and all persons and locations associated therewith.

2. Except as otherwise provided in subsection 4, the Commission may, with the advice and assistance of the Board, provide by regulation for the:

(a) Licensing of an interactive gaming service provider;

(b) Registration of a service provider; and

(c) Operation of such a service provider or interactive gaming service provider, respectively, and all persons, locations and matters associated therewith.

3. The regulations pursuant to subsection 2 may include, without limitation:

(a) Provisions requiring:

(1) The interactive gaming service provider to meet the qualifications for licensing pursuant to NRS 463.170, in addition to any other qualifications established by the Commission and to be licensed regardless of whether the interactive gaming service provider holds any license.

(2) The service provider to be registered regardless of whether the service provider holds any license.

(b) Criteria regarding the location from which the interactive gaming service provider or service provider, respectively, conducts its operations, including, without limitation, minimum internal and operational control standards established by the Commission.

(c) Provisions relating to:

(1) The licensing of persons owning or operating an interactive gaming service provider, and any person having a significant involvement therewith, as determined by the Commission.

(2) The registration of persons owning or operating a service provider, and any persons having a significant involvement therewith, as determined by the Commission.

(d) A provision that a person owning, operating or having significant involvement with an interactive gaming service provider or a service provider, respectively, as determined by the Commission, may be required by the Commission to be found suitable to be associated with licensed gaming, including race book or sports pool operations.

(e) Additional matters which the Commission deems necessary and appropriate to carry out the provisions of this section and which are consistent with the public policy of this State pursuant to NRS 463.0129, including that an interactive gaming service provider or a service provider, respectively, must be liable to the licensee on whose behalf the services are provided for the interactive gaming service provider's or service provider's proportionate share of the fees and taxes paid by the licensee.

4. The Commission may not adopt regulations pursuant to this section until the Commission first determines that interactive gaming service providers or service providers, respectively, are secure and reliable, do not pose a threat to the integrity of gaming and are consistent with the public policy of this State pursuant to NRS 463.0129.

5. ~~[Regulations]~~ Subject to any regulations adopted by the Commission pursuant to ~~[this section must provide that]~~ subsection 6, the premises on which an interactive gaming service provider ~~[and]~~ or a service provider ~~[, respectively,]~~ conducts its operations are subject to the power and authority of the Board and Commission pursuant to NRS 463.140, as though the premises are where gaming is conducted and the interactive gaming service provider or service provider, respectively, is a gaming licensee.

6. The Commission may adopt regulations that define the scope of the power and authority of the Board and Commission provided in subsection 5 as it deems appropriate based on the type and function of a specific interactive gaming service provider or service provider.

7. As used in this section:

(a) "Interactive gaming service provider" means a person who acts on behalf of an establishment licensed to operate interactive gaming and:

(1) Manages, administers or controls wagers that are initiated, received or made on an interactive gaming system;

(2) Manages, administers or controls the games with which wagers that are initiated, received or made on an interactive gaming system are associated;

(3) Maintains or operates the software or hardware of an interactive gaming system; or

(4) Provides products, services, information or assets to an establishment licensed to operate interactive gaming and receives therefor a percentage of gaming revenue from the establishment's interactive gaming system.

(b) "Service provider" means a person who:

1 (1) Is a cash access and wagering instrument service provider; or
2 (2) Meets such other or additional criteria as the Commission may
3 establish by regulation.

4 **Sec. 9.5. NRS 463.750 is hereby amended to read as follows:**

5 463.750 1. The Commission shall, with the advice and assistance of the
6 Board, adopt regulations governing:

7 (a) The licensing and operation of interactive gaming; and
8 (b) The registration of service providers to perform any action described in
9 paragraph (b) of subsection ~~6~~ 7 of NRS 463.677.

10 2. The regulations adopted by the Commission pursuant to this section must:

11 (a) Establish the investigation fees for:
12 (1) A license to operate interactive gaming;
13 (2) A license for a manufacturer of interactive gaming systems;
14 (3) A license for an interactive gaming service provider to perform the
15 actions described in paragraph (a) of subsection ~~6~~ 7 of NRS 463.677; and
16 (4) Registration as a service provider to perform the actions described in
17 paragraph (b) of subsection ~~6~~ 7 of NRS 463.677.

18 (b) Provide that:

19 (1) A person must hold a license for a manufacturer of interactive gaming
20 systems to supply or provide any interactive gaming system, including, without
21 limitation, any piece of proprietary software or hardware;

22 (2) A person must hold a license for an interactive gaming service provider
23 to perform the actions described in paragraph (a) of subsection ~~6~~ 7 of NRS
24 463.677; and

25 (3) A person must be registered as a service provider to perform the actions
26 described in paragraph (b) of subsection ~~6~~ 7 of NRS 463.677.

27 (c) Except as otherwise provided in subsections 6 to 10, inclusive, set forth
28 standards for the suitability of a person to be:

29 (1) Licensed as a manufacturer of interactive gaming systems;
30 (2) Licensed as an interactive gaming service provider as described in
31 paragraph (a) of subsection ~~6~~ 7 of NRS 463.677 that are as stringent as the
32 standards for a nonrestricted license; or

33 (3) Registered as a service provider as described in paragraph (b) of
34 subsection ~~6~~ 7 of NRS 463.677 that are as stringent as the standards for a
35 nonrestricted license.

36 (d) Set forth provisions governing:

37 (1) The initial fee for a license for an interactive gaming service provider
38 as described in paragraph (a) of subsection ~~6~~ 7 of NRS 463.677.

39 (2) The initial fee for registration as a service provider as described in
40 paragraph (b) of subsection ~~6~~ 7 of NRS 463.677.

41 (3) The fee for the renewal of such a license for such an interactive gaming
42 service provider or registration as a service provider, as applicable, and any renewal
43 requirements for such a license or registration, as applicable.

44 (4) Any portion of the license fee paid by a person licensed to operate
45 interactive gaming, pursuant to subsection 1 of NRS 463.770, for which an
46 interactive gaming service provider may be liable to the person licensed to operate
47 interactive gaming.

48 (e) Provide that gross revenue received by an establishment from the operation
49 of interactive gaming is subject to the same license fee provisions of NRS 463.370
50 as the games and gaming devices of the establishment, unless federal law otherwise
51 provides for a similar fee or tax.

52 (f) Set forth standards for the location and security of the computer system and
53 for approval of hardware and software used in connection with interactive gaming.

(g) Define “interactive gaming system,” “manufacturer of interactive gaming systems,” “operate interactive gaming” and “proprietary hardware and software” as the terms are used in this chapter.

3. Except as otherwise provided in subsections 4 and 5, the Commission shall not approve a license for an establishment to operate interactive gaming unless:

(a) In a county whose population is 700,000 or more, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices.

(b) In a county whose population is 45,000 or more but less than 700,000, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices or the establishment:

(1) Holds a nonrestricted license for the operation of games and gaming devices;

(2) Has more than 120 rooms available for sleeping accommodations in the same county;

(3) Has at least one bar with permanent seating capacity for more than 30 patrons that serves alcoholic beverages sold by the drink for consumption on the premises;

(4) Has at least one restaurant with permanent seating capacity for more than 60 patrons that is open to the public 24 hours each day and 7 days each week; and

(5) Has a gaming area that is at least 18,000 square feet in area with at least 1,600 slot machines, 40 table games, and a sports book and race pool.

(c) In all other counties, the establishment is a resort hotel that holds a nonrestricted license to operate games and gaming devices or the establishment:

(1) Has held a nonrestricted license for the operation of games and gaming devices for at least 5 years before the date of its application for a license to operate interactive gaming;

(2) Meets the definition of group 1 licensee as set forth in the regulations of the Commission on the date of its application for a license to operate interactive gaming; and

(3) Operates either:

(I) More than 50 rooms for sleeping accommodations in connection therewith; or

(II) More than 50 gaming devices in connection therewith.

4. The Commission may:

(a) Issue a license to operate interactive gaming to an affiliate of an establishment if:

(1) The establishment satisfies the applicable requirements set forth in subsection 3;

(2) The affiliate is located in the same county as the establishment; and

(3) The establishment has held a nonrestricted license for at least 5 years before the date on which the application is filed; and

(b) Require an affiliate that receives a license pursuant to this subsection to comply with any applicable provision of this chapter.

5. The Commission may issue a license to operate interactive gaming to an applicant that meets any qualifications established by federal law regulating the licensure of interactive gaming.

6. Except as otherwise provided in subsections 7, 8 and 9:

(a) A covered person may not be found suitable for licensure under this section within 5 years after February 21, 2013;

(b) A covered person may not be found suitable for licensure under this section unless such covered person expressly submits to the jurisdiction of the United States and of each state in which patrons of interactive gaming operated by such

covered person after December 31, 2006, were located, and agrees to waive any statutes of limitation, equitable remedies or laches that otherwise would preclude prosecution for a violation of any provision of federal law or the law of any state in connection with such operation of interactive gaming after that date;

(c) A person may not be found suitable for licensure under this section within 5 years after February 21, 2013, if such person uses a covered asset for the operation of interactive gaming; and

(d) Use of a covered asset is grounds for revocation of an interactive gaming license, or a finding of suitability, issued under this section.

7. The Commission, upon recommendation of the Board, may waive the requirements of subsection 6 if the Commission determines that:

(a) In the case of a covered person described in paragraphs (a) and (b) of subsection 1 of NRS 463.014645:

(1) The covered person did not violate, directly or indirectly, any provision of federal law or the law of any state in connection with the ownership and operation of, or provision of services to, an interactive gaming facility that, after December 31, 2006, operated interactive gaming involving patrons located in the United States; and

(2) The assets to be used or that are being used by such person were not used after that date in violation of any provision of federal law or the law of any state;

(b) In the case of a covered person described in paragraph (c) of subsection 1 of NRS 463.014645, the assets that the person will use in connection with interactive gaming for which the covered person applies for a finding of suitability were not used after December 31, 2006, in violation of any provision of federal law or the law of any state; and

(c) In the case of a covered asset, the asset was not used after December 31, 2006, in violation of any provision of federal law or the law of any state, and the interactive gaming facility in connection with which the asset was used was not used after that date in violation of any provision of federal law or the law of any state.

8. With respect to a person applying for a waiver pursuant to subsection 7, the Commission shall afford the person an opportunity to be heard and present relevant evidence. The Commission shall act as finder of fact and is entitled to evaluate the credibility of witnesses and persuasiveness of the evidence. The affirmative votes of a majority of the whole Commission are required to grant or deny such waiver. The Board shall make appropriate investigations to determine any facts or recommendations that it deems necessary or proper to aid the Commission in making determinations pursuant to this subsection and subsection 7.

9. The Commission shall make a determination pursuant to subsections 7 and 8 with respect to a covered person or covered asset without regard to whether the conduct of the covered person or the use of the covered asset was ever the subject of a criminal proceeding for a violation of any provision of federal law or the law of any state, or whether the person has been prosecuted and the prosecution terminated in a manner other than with a conviction.

10. It is unlawful for any person, either as owner, lessee or employee, whether for hire or not, either solely or in conjunction with others, to operate interactive gaming:

(a) Until the Commission adopts regulations pursuant to this section; and

(b) Unless the person first procures, and thereafter maintains in effect, all appropriate licenses as required by the regulations adopted by the Commission pursuant to this section.

11. A person who violates subsection 10 is guilty of a category B felony and shall be punished by imprisonment in the state prison for a minimum term of not less than 1 year and a maximum term of not more than 10 years or by a fine of not more than \$50,000, or both.

Sec. 9.7. NRS 463.767 is hereby amended to read as follows:

463.767 1. The Commission may, with the advice and assistance of the Board, adopt a seal for its use to identify:

- (a) A license to operate interactive gaming;
- (b) A license for a manufacturer of interactive gaming systems;
- (c) A license for an interactive gaming service provider to perform the actions described in paragraph (a) of subsection ~~463.767~~ 2 of NRS 463.677; and
- (d) Registration as a service provider to perform the actions described in paragraph (b) of subsection ~~463.767~~ 2 of NRS 463.677.

2. The Chair of the Commission has the care and custody of the seal.

3. The seal must have imprinted thereon the words "Nevada Gaming Commission."

4. A person shall not use, copy or reproduce the seal in any way not authorized by this chapter or the regulations of the Commission. Except under circumstances where a greater penalty is provided in NRS 205.175, a person who violates this subsection is guilty of a gross misdemeanor.

5. A person convicted of violating subsection 4 is, in addition to any criminal penalty imposed, liable for a civil penalty upon each such conviction. A court before whom a defendant is convicted of a violation of subsection 4 shall, for each violation, order the defendant to pay a civil penalty of \$5,000. The money so collected:

- (a) Must not be deducted from any penal fine imposed by the court;
- (b) Must be stated separately on the court's docket; and
- (c) Must be remitted forthwith to the Commission.

Sec. 10. ~~NRS 286.293 is hereby amended to read as follows:~~

~~286.293 1. The following employees of public employers shall participate in the System:~~

~~(a) Those employed on or after July 1, 1977, in positions considered to be half-time or more according to the full time work schedule established for that public employer.~~

~~(b) Elected officials or persons appointed to elective positions who are elected or appointed after July 1, 1975, except where excluded by NRS 286.297 and except justices of the peace and municipal judges who are allowed and who elect to participate in the Judicial Retirement Plan pursuant to NRS 1A.285.~~

~~(c) A member whose allowance is vested or who is contributing immediately before a legislative session who is employed on or after January 1, 1981, by either house of the Legislature or by the Legislative Counsel Bureau.~~

~~(d) A member of the Nevada Gaming Commission [...], unless the member of the Commission elects not to participate in the System.~~

~~2. The Board shall establish standards for determining what constitutes a full-time work schedule pursuant to paragraph (a) of subsection 1. (Deleted by amendment.)~~

Sec. 10.5. NRS 286.520 is hereby amended to read as follows:

286.520 1. Except as otherwise provided in this section and NRS 286.525, the consequences of the employment of a retired employee are:

(a) A retired employee who accepts employment or an independent contract with a public employer under this System is disqualified from receiving any allowances under this System for the duration of that employment or contract if:

1 (1) The retired employee accepted the employment or contract within 90
2 calendar days after the effective date of the employee's retirement; or

3 (2) The retired employee is employed in a position which is eligible to
4 participate in this System.

5 (b) If a retired employee accepts employment or an independent contract with a
6 public employer under this System more than 90 calendar days after the effective
7 date of the employee's retirement in a position which is not eligible to participate in
8 this System, the employee's allowance under this System terminates upon the
9 employee's earning an amount equal to one-half of the average salary for
10 participating public employees who are not police officers or firefighters in any
11 fiscal year, for the duration of that employment or contract.

12 (c) If a retired employee accepts employment with an employer who is not a
13 public employer under this System, the employee is entitled to the same allowances
14 as a retired employee who has no employment.

15 2. The retired employee and the public employer shall notify the System:

16 (a) Within 10 days after the first day of an employment or contract governed
17 by paragraph (a) of subsection 1.

18 (b) Within 30 days after the first day of an employment or contract governed
19 by paragraph (b) of subsection 1.

20 (c) Within 10 days after a retired employee earns more than one-half of the
21 average salary for participating public employees who are not police officers or
22 firefighters in any fiscal year from an employment or contract governed by
23 paragraph (b) of subsection 1.

24 3. For the purposes of this section, the average salary for participating public
25 employees who are not police officers or firefighters must be computed on the basis
26 of the most recent actuarial valuation of the System.

27 4. If a retired employee who accepts employment or an independent contract
28 with a public employer under this System pursuant to this section elects not to
29 reenroll in the System pursuant to subsection 1 of NRS 286.525, the public
30 employer with which the retired employee accepted employment or an independent
31 contract may pay contributions on behalf of the retired employee to a retirement
32 fund which is not a part of the System in an amount not to exceed the amount of the
33 contributions that the public employer would pay to the System on behalf of a
34 participating public employee who is employed in a similar position.

35 5. If a retired employee is chosen by election or appointment to fill an elective
36 public office, the retired employee is entitled to the same allowances as a retired
37 employee who has no employment, unless the retired employee is serving in the
38 same office in which the retired employee served and for which the retired
39 employee received service credit as a member. A public employer may pay
40 contributions on behalf of such a retired employee to a retirement fund which is not
41 a part of the System in an amount not to exceed the amount of the contributions that
42 the public employer would pay to the System on behalf of a participating public
43 employee who serves in the same office.

44 6. The System may waive for one period of 30 days or less a retired
45 employee's disqualification under this section if the public employer certifies in
46 writing, in advance, that the retired employee is recalled to meet an emergency and
47 that no other qualified person is immediately available.

48 7. A person who accepts employment or an independent contract with:

49 (a) Either house of the Legislature or the Legislative Counsel Bureau; ~~for~~

50 (b) The Nevada Gaming Commission as a Commissioner appointed by the
51 Governor; or

52 (c) The Nevada Court System as a senior justice, senior judge, senior justice of
53 the peace or senior municipal judge,

1 ☞ is exempt from the provisions of subsections 1 and 2 for the duration of that
2 employment or contract.

3 8. A person who accepts employment with a volunteer fire department of
4 which all the volunteers have become members of the System pursuant to NRS
5 286.367 is exempt from the provisions of subsections 1 and 2 for the duration of
6 that employment.

7 **Sec. 11.** NRS 353C.220 is hereby amended to read as follows:

8 353C.220 1. ~~☞~~ *Except as otherwise provided in NRS 463.123, if* the State
9 Controller determines that it is impossible or impractical to collect a debt, the State
10 Controller may request the State Board of Examiners to designate the debt as a bad
11 debt. The State Board of Examiners, by an affirmative vote of the majority of the
12 members of the Board, may designate the debt as a bad debt if the Board is satisfied
13 that the collection of the debt is impossible or impractical. If the debt is not more
14 than \$50, the State Board of Examiners may delegate to its Clerk the authority to
15 designate the debt as a bad debt. The State Controller may appeal a denial of a
16 request to designate the debt as a bad debt by the Clerk to the State Board of
17 Examiners.

18 2. Upon the designation of a debt as a bad debt pursuant to this section, the
19 State Board of Examiners or its Clerk shall immediately notify the State Controller
20 thereof. Upon receiving the notification, the State Controller shall direct the
21 removal of the debt from the books of account of the State of Nevada. A bad debt
22 that is removed pursuant to this section remains a legal and binding obligation
23 owed by the debtor to the State of Nevada.

24 3. The State Controller shall keep a master file of all debts that are designated
25 as bad debts pursuant to this section. For each such debt, the State Controller shall
26 record the name of the debtor, the amount of the debt, the date on which the debt
27 was incurred and the date on which it was removed from the records and books of
28 account of the State of Nevada, and any other information concerning the debt that
29 the State Controller determines is necessary.