SUMMARY—Revises provisions relating to gaming. (BDR 41-115)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: May have Fiscal Impact.

Effect on the State Highway Fund: No.

AN ACT relating to gaming; revising provisions relating to gaming employees; revising provisions relating to certain disputes involving gaming; revising provisions governing the acquisition or disposition of certain interests in certain corporations, limited-liability companies and limited partnerships; prohibiting a licensee from engaging in certain conduct in a foreign gaming operation; revising provisions relating to horse racing; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law: (1) prohibits a person from being employed as a gaming employee unless the person is registered as such with the Nevada Gaming Control Board; and (2) authorizes the Board to suspend or object to the registration of an applicant as a gaming employee for any cause deemed reasonable by the Board. (NRS 463.335) **Section 2** of this bill authorizes the Board to suspend or object to the registration of an applicant if the applicant fails to cooperate with the Board in the application and investigation process in a truthful, timely or complete manner.

Existing law requires the Board to send certain notices by mail relating to the registration of a gaming employee. (NRS 463.335) **Section 2** additionally authorizes notice to be sent by electronic mail under certain circumstances.

Existing law defines the term "gaming employee." (NRS 463.0157) **Section 1** of this bill revises the definition of the term to include certain persons whose duties involve monitoring a licensee for compliance with: (1) the Nevada Gaming Control Act and the regulations adopted pursuant thereto; and (2) the anti-money laundering program of the licensee.

Existing law requires the Board, through an agent, to investigate certain disputes between a patron and a licensee involving: (1) alleged winnings, losses or other awards or distributions; or (2) the manner in which the game, tournament, contest, drawing or other activity or event was conducted. Upon the completion of the investigation, existing law requires the agent to mail a notice to the Board, the licensee and the patron of the decision of the agent regarding the dispute. (NRS 463.362) **Section 3** of this bill makes various changes to require the Board to provide notice of the decision of the agent to the patron, thereby removing the requirement that the agent of the Board provide such notice to the Board. **Section 3** also authorizes notice to be sent by electronic mail under certain circumstances.

For a corporation which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license, other than a publicly traded corporation, existing law requires prior approval by: (1) the Chair of the Board before an option to purchase any security issued by a corporation may be granted or before an existing option to acquire such a security may be sold, assigned, transferred, pledged or otherwise disposed of; and

(2) the Nevada Gaming Commission before such a security may be sold, assigned, transferred, pledged or otherwise disposed of, including through the exercise of an option to purchase. (NRS 463.505, 463.510) **Sections 4 and 5** of this bill revise such provisions relating to options to include a warrant or right to purchase any security issued by the corporation.

For a limited partnership which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license, existing law similarly requires prior approval relating to an option to purchase any interest in the limited partnership. (NRS 463.5665, 463.567) **Sections 6 and 7** of this bill revise such provisions relating to options to include a warrant or right to purchase any interest in the limited partnership.

For a limited-liability company which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license, existing law similarly requires prior approval relating to an option to purchase any interest in the limited-liability company. (NRS 463.57325, 463.5733) **Sections 8 and 9** of this bill revise such provisions relating to options to include a warrant or right to purchase any interest in the limited-liability company.

Existing law prohibits a licensee in a foreign gaming operation from employing, contracting with or associating with a person whom the Commission or a court in this State has found guilty of cheating or to whom the Commission has denied a gaming license or finding of suitability. (NRS 463.720) **Section 10** of this bill additionally prohibits a licensee in a foreign gaming operation from employing, contracting with or associating with a person if the Commission has revoked a gaming license or finding of suitability of the person on the ground of unsuitability.

Existing law requires that: (1) there must be at least three stewards to supervise each race or meeting conducted pursuant to existing law relating to horse racing; and (2) one or more of the stewards must be the official steward of the Board, with the remaining steward or stewards appointed by the licensee, subject to the approval of the Board. (NRS 466.070) **Section 11** of this bill authorizes the stewards to hold a closed meeting when considering the conduct of a race meet pursuant to existing law relating to horse racing or any regulations adopted pursuant thereto.

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

Section 1. NRS 463.0157 is hereby amended to read as follows:

463.0157 1. "Gaming employee" means any 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 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, 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) ***Compliance personnel whose duties include monitoring the activities of a licensee for compliance with:***

(1) The provisions of this chapter and any regulations adopted pursuant thereto; and

(2) The anti-money laundering program of the licensee prescribed by 31 C.F.R. 1021.210;

(c) Table games personnel;

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

~~[(d)]~~ ***(e)*** Slot personnel;

~~[(e)]~~ ***(f)*** Keno personnel;

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

~~[(g)]~~ ***(h)*** Employees of a person required by NRS 464.010 to be registered to operate an off-track pari-mutuel system;

~~[(h)]~~ ***(i)*** Employees whose duties are directly involved with the manufacture, repair, sale or distribution of gaming devices, associated equipment when the employer is required by NRS 463.650 to be licensed, cashless wagering systems or interactive gaming systems;

~~[(i)]~~ ***(j)*** Employees of operators of interactive gaming systems whose duties include the operational or supervisory control of the systems or the games that are part of the systems;

~~[(j)]~~ ***(k)*** Employees of operators of call centers who perform, or who supervise the performance of, the function of receiving and transmitting wagering instructions;

~~[(k)]~~ ***(l)*** Employees who have access to the Board's system of records for the purpose of processing the registrations of gaming employees that a licensee is required to perform pursuant to the provisions of this chapter and any regulations adopted pursuant thereto;

~~[(l)]~~ ***(m)*** Information technology personnel who have operational or supervisory control over information technology systems associated with any of the matters related to gaming described in this subsection;

~~[(m)]~~ ***(n)*** Hosts or other persons empowered to extend credit or complimentary services related to gaming;

~~[(n)]~~ ***(o)*** Machine mechanics;

~~[(o)]~~ ***(p)*** Odds makers and line setters;

~~[(p)]~~ ***(q)*** Security personnel;

~~[(q)]~~ ***(r)*** Shift or pit bosses;

~~[(r)]~~ ***(s)*** Shills;

~~[(s)]~~ ***(t)*** Supervisors or managers whose duties include the supervision of employees described in this subsection;

~~[(t)]~~ ***(u)*** Employees of a person required by NRS 463.160 to be licensed to operate an information service;

~~[(u)]~~ ***(v)*** Club venue employees; and

~~[(v)]~~ ***(w)*** Other persons whose duties are similar to the classifications set forth in paragraphs (a) to ~~[(u),]~~ ***(v),*** inclusive, as the Commission may from time to time designate by regulation.

2. "Gaming employee" does not include employees whose duties do not involve gaming activities, persons engaged exclusively in preparing or serving food or beverages or persons involved primarily in the resort or hotel functions of a licensed gaming establishment.

Sec. 2. NRS 463.335 is hereby amended to read as follows:

463.335 1. The Legislature finds that, to protect and promote the health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and to carry out the policy declared in NRS 463.0129, it is necessary that the Board:

(a) Ascertain and keep itself informed of the identity, prior activities and present location of all gaming employees in the State of Nevada; and

(b) Maintain confidential records of such information.

2. A person may not be employed as a gaming employee unless the person is temporarily registered or registered as a gaming employee pursuant to this section. An applicant for registration or renewal of registration as a gaming employee must file an application for registration or renewal of registration with the Board. Whenever a registered gaming employee, whose registration has not expired, has not been objected to by the Board, or has not been suspended or revoked:

(a) Becomes employed as a gaming employee at another or additional gaming establishment; or

(b) If the registered gaming employee:

(1) Is a security guard and is employed in an unarmed position, becomes employed in an armed position; or

(2) Is not a security guard and becomes employed as a security guard in an unarmed or armed position,

➥ the registered gaming employee must file a change of employment notice within 10 calendar days with the Board. The application for registration and change of employment notice must be

filed through the licensee for whom the applicant will commence or continue working as a gaming employee, unless otherwise filed with the Board as prescribed by regulation of the Commission.

3. The Board shall prescribe the forms for the application for registration as a gaming employee and the change of employment notice.

4. A complete application for registration or renewal of registration as a gaming employee or a change of employment notice received by a licensee must be submitted to the Board before the applicant may commence or continue working as a gaming employee. A licensee is not responsible for the accuracy or completeness of any application for registration or renewal of registration as a gaming employee or any change of employment notice.

5. The Board shall immediately conduct an investigation of each person who files an application for registration or renewal of registration as a gaming employee to determine whether the person is eligible for registration as a gaming employee. In conducting the investigation, a complete set of the applicant's fingerprints must be submitted to the Central Repository for Nevada Records of Criminal History for:

(a) A report concerning the criminal history of the applicant; and

(b) Submission to the Federal Bureau of Investigation for a report concerning the criminal history of the applicant.

➥ The investigation need not be limited solely to consideration of the results of the report concerning the criminal history of the applicant. The fee for processing an application for registration or renewal of registration as a gaming employee may be charged only to cover the actual investigative and administrative costs related to processing the application that are incurred

by the Board. An applicant shall submit to the Central Repository for Nevada Records of Criminal History the fees charged by the Central Repository and the Federal Bureau of Investigation to process the fingerprints of the applicant pursuant to this subsection.

6. Upon receipt of a change of employment notice, the Board may conduct any investigations of the gaming employee that the Board deems appropriate to determine whether the gaming employee may remain registered as a gaming employee. The fee charged by the Board to process a change of employment notice may cover only the actual investigative and administrative costs related to processing the change of employment notice. The filing of a change of employment notice constitutes an application for registration as a gaming employee, and if the Board, after conducting its investigation, suspends or objects to the continued registration of the gaming employee, the provisions of subsections 10 to 16, inclusive, apply to such suspension by or objection of the Board.

7. Except as otherwise prescribed by regulation of the Commission, an applicant for registration or renewal of registration as a gaming employee is deemed temporarily registered as a gaming employee as of the date a complete application for registration or renewal of registration is submitted to the licensee for which the applicant will commence or continue working as a gaming employee. Unless objected to by the Board or suspended or revoked, the initial registration of an applicant as a gaming employee expires 5 years after the date employment commences with the applicable licensee. Any subsequent renewal of registration as a gaming employee, unless objected to by the Board or suspended or revoked, expires 5 years after the expiration date of the most recent registration or renewal of registration of the gaming employee.

8. If, within 120 days after receipt by the Board of a complete application for registration or renewal of registration as a gaming employee, including classifiable fingerprints, or a change of employment notice, the Board has not notified the applicable licensee of any suspension or objection, the applicant ~~[shall be]~~ ***is*** deemed to be registered as a gaming employee. A complete application for registration or renewal of registration as a gaming employee is composed of:

(a) The fully completed form for application for registration as a gaming employee prescribed in subsection 3;

(b) A complete set of the fingerprints of the applicant, unless directly forwarded electronically or by another means to the Central Repository for Nevada Records of Criminal History;

(c) The fee for processing the application for registration or renewal of registration as a gaming employee prescribed by the Board pursuant to subsection 5, unless otherwise prescribed by regulation of the Commission; and

(d) A completed statement as prescribed in subsections 1 and 2 of NRS 463.3351.

➥ If the Board determines after receiving an application for registration or renewal of registration as a gaming employee that the application is incomplete, the Board may suspend the temporary registration as a gaming employee of the applicant who filed the incomplete application. An applicant whose temporary registration is suspended shall not be eligible to work as a gaming employee until such time as the applicant files a complete application.

9. A person who is temporarily registered or registered as a gaming employee is eligible for employment in any licensed gaming establishment in this State until such registration is objected to by the Board, expires or is suspended or revoked. The Commission shall adopt regulations to:

(a) Establish uniform procedures for the registration of gaming employees;

(b) Establish uniform criteria for objection by the Board of an application for registration; and

(c) Provide for the creation and maintenance of a system of records that contain information regarding the current place of employment of each person who is registered as a gaming employee and each person whose registration as a gaming employee has expired, was objected to by the Board, or was suspended or revoked. The system of records must be accessible by:

(1) Licensees for the limited purpose of complying with subsection 2; and

(2) The Central Repository for Nevada Records of Criminal History for the limited purpose of complying with NRS 179D.570.

10. If the Board, within the 120-day period prescribed in subsection 8, notifies:

(a) The applicable licensee; and

(b) The applicant,

➥ that the Board suspends or objects to the temporary registration of an applicant as a gaming employee, the licensee shall immediately terminate the applicant from employment or reassign the applicant to a position that does not require registration as a gaming employee. The notice of suspension or objection by the Board which is sent to the applicant must include a statement of the facts upon which the Board relied in making its suspension or objection.

11. Any person whose application for registration or renewal of registration as a gaming employee has been suspended or objected to by the Board may, not later than 60 days after receiving notice of the suspension or objection, apply to the Board for a hearing. A failure of a person whose application has been objected to or suspended to apply for a hearing within 60 days

or his or her failure to appear at a hearing of the Board conducted pursuant to this section ~~[shall be]~~ ***is*** deemed to be an admission that the suspension or objection is well-founded, and the failure precludes administrative or judicial review. At the hearing, the Board shall take any testimony deemed necessary. After the hearing, the Board shall review the testimony taken and any other evidence and shall, within 45 days after the date of the hearing, ~~[mail to]~~ ***provide*** the applicant ***with notice of*** its decision sustaining or reversing the suspension or the objection to the registration of the applicant as a gaming employee.

12. The Board may suspend or object to the registration of an applicant as a gaming employee for any cause deemed reasonable by the Board ~~[. The Board may object to or suspend the registration]~~ ***, including, without limitation,*** if the applicant has:

(a) Failed to disclose or misstated information or otherwise attempted to mislead the Board with respect to any material fact contained in the application for registration as a gaming employee;

(b) Knowingly failed to comply with the provisions of this chapter or chapter 463B, 464 or 465 of NRS or the regulations of the Commission at a place of previous employment;

(c) Committed, attempted or conspired to commit any crime of moral turpitude, embezzlement, larceny or theft or any violation of any law pertaining to gaming, or any crime which is inimical to the declared policy of this State concerning gaming;

(d) Committed, attempted or conspired to commit a crime which is a felony or gross misdemeanor in this State or an offense in another state or jurisdiction which would be a felony or gross misdemeanor if committed in this State and which relates to the applicant's suitability or qualifications to work as a gaming employee;

(e) Been identified in the published reports of any federal or state legislative or executive body as being a member or associate of organized crime, or as being of notorious and unsavory reputation;

(f) Been placed and remains in the constructive custody of any federal, state or municipal law enforcement authority; ~~[or]~~

(g) Had registration as a gaming employee revoked or committed any act which is a ground for the revocation of registration as a gaming employee or would have been a ground for revoking registration as a gaming employee if the applicant had then been registered as a gaming employee ~~[.]~~ ***; or***

(h) Failed to cooperate with the Board in the application and investigation process in a truthful, timely or complete manner, including, without limitation, a failure to:

(1) Respond to any inquiries made by the Board; or

(2) Provide any additional information or documentation as requested by the Board.

➥ If the Board registers or does not suspend or object to the registration of an applicant as a gaming employee, it may specially limit the period for which the registration is valid, limit the job classifications for which the registered gaming employee may be employed and establish such individual conditions for the renewal and effectiveness of the registration as the Board deems appropriate, including required submission to unscheduled tests for the presence of alcohol or controlled substances. If a gaming employee fails to comply with any limitation or condition placed on the effectiveness of the gaming employee's registration as a gaming employee, notwithstanding any other provision of this section, the Board may object to the gaming

employee's registration. If the Board objects to the gaming employee's registration, the provisions regarding the continued effectiveness of the registration and the review of the objection set forth in subsections 10 to 16, inclusive, apply, including, without limitation, the requirement to notify the applicable licensee about the objection.

13. Any applicant aggrieved by the decision of the Board may, within 15 days after the announcement of the decision, apply in writing to the Commission for review of the decision. Review is limited to the record of the proceedings before the Board. The Commission may sustain, modify or reverse the Board's decision. The decision of the Commission is subject to judicial review pursuant to NRS 463.315 to 463.318, inclusive.

14. The Chair of the Board may designate a member of the Board or the Board may appoint a hearing examiner and authorize that person to perform on behalf of the Board any of the following functions required of the Board by this section concerning the registration or renewal of registration of gaming employees:

(a) Conducting a hearing and taking testimony;

(b) Reviewing the testimony and evidence presented at the hearing;

(c) Making a recommendation to the Board based upon the testimony and evidence or rendering a decision on behalf of the Board to sustain or reverse the suspension of or the objection to the registration of an applicant as a gaming employee; and

(d) Notifying the applicant of the decision.

15. Notice by the Board as provided pursuant to subsections 1 to 14, inclusive, is sufficient if it is ***sent to an electronic mail address provided by the applicant for such purpose or*** mailed to

the ~~[applicant's]~~ last known address ***of the applicant*** as indicated on the application for registration as a gaming employee or the record of the hearing, as ~~[the case may be. The]~~ ***applicable. If the notice is provided by electronic mail, the notice is deemed to have been received by the applicant on the date the electronic mail was sent by the Board. If the notice is provided by mail, the*** date of mailing may be proven by a certificate signed by an officer or employee of the Board which specifies the time the notice was mailed ~~[. The]~~ ***, and the*** notice ~~[shall be]~~ ***is*** deemed to have been received by the applicant 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

16. Except as otherwise provided in this subsection, all records acquired or compiled by the Board or Commission relating to any application made pursuant to this section, all lists of persons registered as gaming employees, all lists of persons suspended or objected to by the Board and all records of the names or identity of persons engaged in the gaming industry in this State are confidential and must not be disclosed except in the proper administration of this chapter or to an authorized law enforcement agency. Upon receipt of a request from the Division of Social Services of the Department of Human Services pursuant to NRS 425.400 for information relating to a specific person who has applied for registration as a gaming employee or is registered as a gaming employee, the Board shall disclose to the Division the person's social security number, residential address and current employer as that information is listed in the files and records of the Board. Any record of the Board or Commission which shows that the applicant has been convicted of a crime in another state must show whether the crime was a misdemeanor, gross misdemeanor, felony or other class of crime as classified by the state in which the crime was committed. In a

disclosure of the conviction, reference to the classification of the crime must be based on the classification in the state where it was committed.

17. If the Central Repository for Nevada Records of Criminal History, in accordance with the provisions of NRS 179D.570, provides the Board with the name and other identifying information of a registered gaming employee who is not in compliance with the provisions of chapter 179D of NRS, the Board shall notify the person that, unless the person provides the Board with verifiable documentation confirming that the person is currently in compliance with the provisions of chapter 179D of NRS within 15 days after receipt of such notice, the Board shall, notwithstanding any other provisions of this section, conduct a hearing for the purpose of determining whether the registration of the person as a gaming employee must be suspended for noncompliance with the provisions of chapter 179D of NRS.

18. Notwithstanding any other provisions of this section, if a person notified by the Board pursuant to subsection 17 does not provide the Board, within the 15 days prescribed therein, with verifiable documentation establishing that the person is currently in compliance with the provisions of chapter 179D of NRS, the Chair of the Board shall, within 10 days thereof, appoint a hearing examiner to conduct a hearing to determine whether the person is, in fact, not in compliance with the provisions of chapter 179D of NRS. The hearing examiner shall, within 5 days after the date the hearing examiner is appointed by the Chair, notify the person of the date of the hearing. The hearing must be held within 20 days after the date on which the hearing examiner is appointed by the Chair, unless administratively extended by the Chair for good cause. At the hearing, the hearing examiner may take any testimony deemed necessary and shall render a

decision sustaining or reversing the findings of the Central Repository for Nevada Records of Criminal History. The hearing examiner shall notify the person of the hearing examiner's decision within 5 days after the date on which the decision is rendered. A failure of a person to appear at a hearing conducted pursuant to this subsection is deemed to be an admission that the findings of the hearing examiner are well-founded.

19. If, after conducting the hearing prescribed in subsection 18, the hearing examiner renders a decision that the person who is the subject of the hearing:

(a) Is not in compliance with the provisions of chapter 179D of NRS, the Board shall, notwithstanding any other provisions of this section:

(1) Suspend the registration of the person as a gaming employee;

(2) Notify the person to contact the Central Repository for Nevada Records of Criminal History to determine the actions that the person must take to be in compliance with the provisions of chapter 179D of NRS; and

(3) Notify the licensee for which the person is employed as a gaming employee, in the manner prescribed in subsection 20, that the Board has suspended the registration of the person as a gaming employee and that the licensee must immediately terminate the person from employment or reassign the person to a position that does not require registration as a gaming employee.

(b) Is in compliance with the provisions of chapter 179D of NRS, the Board shall notify the person and the Central Repository for Nevada Records of Criminal History, in the manner prescribed in subsection 20, of the findings of the hearing examiner.

20. Notice as provided pursuant to subsections 17, 18 and 19 is sufficient if it is ***sent to an electronic mail address provided by the person for such purpose or*** mailed to the ~~[person's]~~ last known address ***of the person*** as indicated on the most recent application for registration as a gaming employee or the record of the hearing, or to the person at ~~[his or her]~~ ***the*** place of gaming employment ~~[. The]~~ ***of the person. If the notice is provided by electronic mail, the notice is deemed to have been received by the person on the date the electronic mail was sent by the Board. If the notice is provided by mail, the*** date of mailing may be proven by a certificate signed by an officer or employee of the Board which specifies the time the notice was mailed ~~[. The]~~ ***, and the*** notice ~~[shall be]~~ ***is*** deemed to have been received by the ~~[applicant]~~ ***person*** 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

21. The Board shall remove a suspension entered in accordance with subsection 19 and reinstate the registration of a person as a gaming employee upon receipt of verifiable documentation confirming that the person is currently in compliance with the provisions of chapter 179D of NRS.

Sec. 3. NRS 463.362 is hereby amended to read as follows:

463.362 1. Whenever a patron and a licensee, or any person acting on behalf of or in conjunction with a licensee, have any dispute which cannot be resolved to the satisfaction of the patron and which involves:

(a) Alleged winnings, alleged losses or the award or distribution of cash, prizes, benefits, tickets or any other item or items in a game, tournament, contest, drawing, promotion or similar activity or event; or

(b) The manner in which a game, tournament, contest, drawing, promotion or similar activity or event is conducted,

➥ the licensee is responsible for notifying the Board or patron in accordance with the provisions of subsection 2, regardless of whether the licensee is directly or indirectly involved in the dispute.

2. Whenever a dispute described in subsection 1 involves:

(a) At least $500, the licensee shall immediately notify the Board; or

(b) Less than $500, the licensee shall notify the patron of the patron's right to request that the Board conduct an investigation.

3. Upon being notified of a dispute, the Board, through an agent, shall conduct whatever investigation it deems necessary and shall determine whether payment should be made. The ~~[agent of the]~~ Board shall ~~[mail written]~~ ***provide*** notice to ~~[the Board,]~~ the licensee and the patron of the agent's decision resolving the dispute within 45 days after the date the Board first receives notification from the licensee or a request to conduct an investigation from the patron. The failure of the ~~[agent to mail]~~ ***Board to provide*** notice of the ~~[agent's]~~ decision ***of the agent*** within the time required by this subsection does not divest the Board of its exclusive jurisdiction over the dispute.

4. Failure of the licensee to notify the Board or patron as provided in subsection 2 is grounds for disciplinary action pursuant to NRS 463.310 to 463.3145, inclusive.

5. The decision of the agent of the Board is effective on the date the aggrieved party receives notice of the decision. Notice of the decision ~~[shall be]~~ ***is*** deemed sufficient if it is ***sent to an electronic mail address provided for such purpose or*** mailed to the last known address of the licensee and patron. ~~[The]~~ ***If the notice is provided by electronic mail, the notice is deemed to***

have been received by the licensee or patron on the date the electronic mail was sent by the Board. If the notice is provided by mail, the date of mailing may be proven by a certificate signed by an officer or employee of the Board which specifies the time the notice was mailed ~~[. The]~~ ***,*** ***and the*** notice ~~[shall be]~~ ***is*** deemed to have been received by the licensee or the patron 5 days after it is deposited with the United States Postal Service with the postage thereon prepaid.

Sec. 4. NRS 463.505 is hereby amended to read as follows:

463.505 1. The purported granting of an option ***, warrant or right*** to purchase any security issued by a corporation, other than a publicly traded corporation, which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license or the purported sale, assignment, transfer, pledge or other disposition of an existing option ***, warrant or right*** to acquire such a security is void unless administratively approved in advance by the Chair of the Board.

2. A request for administrative approval pursuant to subsection 1 must:

(a) Be made on forms approved by the Chair of the Board; and

(b) To the extent consistent with this section, be considered in all respects as an application.

3. The Chair of the Board may refer a request for administrative approval to the Board and Commission for consideration or deny the request for administrative approval for any reasonable cause. A denial may be submitted for review by the Board and Commission in the manner set forth by the regulations of the Commission pertaining to the review of administrative approval decisions.

4. The Commission, upon recommendation by the Board, may require a person to apply for a finding of suitability to hold an option ***, warrant or right*** to purchase such a security.

Sec. 5. NRS 463.510 is hereby amended to read as follows:

463.510 1. The purported sale, assignment, transfer, pledge, exercise of an option ***, warrant or right*** to purchase ***,*** or other disposition of any security issued by a corporation, other than a publicly traded corporation, which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license is void unless approved in advance by the Commission.

2. If at any time the Commission finds that an individual owner of any such security is unsuitable to continue as a gaming licensee in this State, the owner shall immediately offer the security to the issuing corporation for purchase. The corporation shall purchase the security so offered, for cash at fair market value, within 10 days after the date of the offer.

3. Beginning upon the date when the Commission serves notice of a determination of unsuitability pursuant to subsection 2 upon the corporation, it is unlawful for the unsuitable owner:

(a) To receive any dividend or interest upon any such security;

(b) To exercise, directly or through any trustee or nominee, any voting right conferred by such security; or

(c) To receive any remuneration in any form from the corporation, for services rendered or otherwise.

4. Every security issued by a corporation, other than a publicly traded corporation, which holds a state gaming license must bear a statement, on both sides of the certificate evidencing the security, of the restrictions imposed by this section.

Sec. 6. NRS 463.5665 is hereby amended to read as follows:

463.5665 1. The purported granting of an option ***, warrant or right*** to purchase any interest in a limited partnership which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license or the purported sale, assignment, transfer, pledge or other disposition of an existing option ***, warrant or right*** to acquire such an interest is void unless administratively approved in advance by the Chair of the Board.

2. A request for administrative approval pursuant to subsection 1 must:

(a) Be made on forms approved by the Chair of the Board; and

(b) To the extent consistent with this section, be considered in all respects as an application.

3. The Chair of the Board may refer a request for administrative approval to the Board and Commission for consideration or deny the request for administrative approval for any reasonable cause. A denial may be submitted for review by the Board and Commission in the manner set forth by the regulations of the Commission pertaining to the review of administrative approval decisions.

4. The Commission, upon recommendation by the Board, may require a person to apply for a finding of suitability to hold an option ***, warrant or right*** to purchase such an interest.

Sec. 7. NRS 463.567 is hereby amended to read as follows:

463.567 1. The purported sale, assignment, transfer, pledge, exercise of an option ***, warrant or right*** to purchase, or other disposition of any interest in a limited partnership which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license is void unless approved in advance by the Commission.

2. If at any time the Commission finds that an individual owner of any such interest is unsuitable to hold that interest, the Commission shall immediately notify the limited partnership of that fact. The limited partnership shall, within 10 days after the date that it receives the notice from the Commission, return to the unsuitable owner, in cash, the amount of the unsuitable owner's capital account as reflected on the books of the partnership.

3. Beginning on the date when the Commission serves notice of a determination of unsuitability pursuant to subsection 2 upon the limited partnership, it is unlawful for the unsuitable owner:

(a) To receive any share of the profits or interest upon any limited partnership interest;

(b) To exercise, directly or through any trustee or nominee, any voting right conferred by such interest; or

(c) To receive any remuneration in any form from the limited partnership, for services rendered or otherwise.

4. The certificate of limited partnership of any limited partnership holding a state gaming license must contain a statement of the restrictions imposed by this section.

Sec. 8. NRS 463.57325 is hereby amended to read as follows:

463.57325 1. The purported granting of an option ***, warrant or right*** to purchase any interest in a limited-liability company which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license or the purported sale, assignment, transfer, pledge or other disposition of an existing option ***, warrant or right*** to acquire such an interest is void unless administratively approved in advance by the Chair of the Board.

2. A request for administrative approval pursuant to subsection 1 must:

(a) Be made on forms approved by the Chair of the Board; and

(b) To the extent consistent with this section, be considered in all respects as an application.

3. The Chair of the Board may refer a request for administrative approval to the Board and Commission for consideration or deny the request for administrative approval for any reasonable cause. A denial may be submitted for review by the Board and Commission in the manner set forth by the regulations of the Commission pertaining to the review of administrative approval decisions.

4. The Commission, upon recommendation by the Board, may require a person to apply for a finding of suitability to hold an option ***, warrant or right*** to purchase such an interest.

Sec. 9. NRS 463.5733 is hereby amended to read as follows:

463.5733 1. The purported sale, assignment, transfer, pledge, exercise of an option ***, warrant or right*** to purchase, or other disposition of any interest in a limited-liability company which holds a state gaming license or which is a holding company or an intermediary company for an entity that holds a state gaming license is void unless approved in advance by the Commission.

2. If at any time the Commission finds that a member is unsuitable to hold an interest in a limited-liability company, the Commission shall immediately notify the limited-liability company of that fact. The limited-liability company shall, within 10 days after it receives the notice from the Commission, return to the member, in cash, the amount of the member's capital account as reflected on the books of the company.

3. Except as otherwise provided in subsection 2, beginning on the date when the Commission serves notice of a determination of unsuitability pursuant to subsection 2 upon the limited-liability company, it is unlawful for the unsuitable member:

(a) To receive any share of the distribution of profits of the limited-liability company or any payments upon dissolution of the company;

(b) To exercise any voting right conferred by the member's interest in the limited-liability company;

(c) To participate in the management of the limited-liability company; or

(d) To receive any remuneration in any form from the limited-liability company, for services rendered or otherwise.

4. The articles of organization of any limited-liability company holding a state gaming license must contain a statement of the restrictions imposed by this section.

Sec. 10. NRS 463.720 is hereby amended to read as follows:

463.720 A licensee shall not, in a foreign gaming operation, knowingly:

1. Violate a foreign, federal, tribal, state, county, city or township law, regulation, ordinance or rule, or any equivalent thereof, concerning the conduct of gaming;

2. Fail to conduct the operation in accordance with the standards of honesty and integrity required for gaming in this State;

3. Engage in an activity or enter into an association that is unsuitable for a licensee because it:

(a) Poses an unreasonable threat to the control of gaming in this State;

(b) Reflects or tends to reflect discredit or disrepute upon this State or gaming in this State; or

(c) Is contrary to the public policy of this State concerning gaming;

4. Engage in an activity or enter into an association that interferes with the ability of this State to collect all license fees imposed by this chapter; or

5. Employ, contract with or associate with a person ~~[whom the]~~ ***if:***

(a) The Commission or a court in this State has found ***the person*** guilty of cheating ~~[or to whom the]~~ ***;***

(b) The Commission has denied a gaming license ~~[,]~~ or finding of suitability ~~[,]~~ ***to the person*** on the ground of unsuitability ~~[.]~~ ***; or***

(c) The Commission has revoked a gaming license or finding of suitability of the person on the ground of unsuitability.

Sec. 11. NRS 466.070 is hereby amended to read as follows:

466.070 1. The Board is authorized:

(a) To employ at reasonable compensation a reasonable number of inspectors, judges, guards, experts, scientists, auditors, veterinarians and other employees or agents deemed by the Board to be essential at or in connection with any race meeting to the best interests of racing.

(b) To maintain a testing laboratory and to purchase supplies and equipment for and in connection with the laboratory or other test or testing processes.

(c) To lease suitable premises for photography control.

2. At any race meeting all officials, as this term is customarily understood in racing, including, without limitation, placing judges, patrol judges, clerks of the scales, starters and assistants, handicappers, timers, paddock judges, racing secretaries and clerks of the course, must be employed and paid by the licensee conducting the race meeting, but approved by the Board.

3. There must be at least three stewards to supervise each race or meeting conducted pursuant to the provisions of this chapter. One or more of the stewards must be the official steward of the Board, and the remaining steward or stewards must be appointed by the licensee, subject to the approval of the Board. The stewards shall exercise such powers and perform such duties at each race meeting as may be prescribed by the regulations of the Commission. ***The stewards may hold a closed meeting when considering the conduct of a race meet pursuant to this chapter or any regulation adopted pursuant thereto.***

4. The Board may delegate any of the powers and duties assigned to it by this section for a particular race meeting to the state fair association, agricultural society, county fair and recreation board or other association to which state or county aid is given, which is conducting the race meeting.