

SENATE BILL NO. 38—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE STATE GAMING CONTROL BOARD)

PREFILED DECEMBER 20, 2014

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing the regulation of gaming. (BDR 41-350)

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

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

AN ACT relating to gaming; revising various definitions relating to gaming; removing licensing requirements for certain persons associated with gaming; requiring persons who manufacture, sell or distribute associated equipment relating to gaming to be licensed; requiring the Nevada Gaming Commission to adopt certain regulations relating to the licensure of such persons; repealing certain provisions relating to gaming; providing a penalty; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 Existing law requires the Nevada Gaming Commission and the State Gaming
- 2 Control Board to administer state gaming licenses and manufacturers’, sellers’ and
- 3 distributors’ licenses, and to perform various acts relating to the regulation and
- 4 control of gaming. (NRS 463.140) **Sections 1 and 2** of this bill revise the
- 5 definitions of the terms “gaming employee” and “manufacture” for the purposes of
- 6 the statutory provisions governing the licensing and control of gaming by including
- 7 references to manufacturers of associated equipment.
- 8 Existing law prohibits certain actions related to gaming without the person first
- 9 procuring and maintaining the required licensure. (NRS 463.160) Existing law also
- 10 authorizes the Commission to provide by regulation for the licensing of service
- 11 providers, who generally: (1) perform certain services on behalf of another licensed
- 12 person who conducts nonrestricted gaming operations or an establishment licensed
- 13 to operate interactive gaming; or (2) provide services or devices which patrons of
- 14 licensed establishments use to obtain cash or wagering instruments. (NRS 463.677)
- 15 **Sections 3 and 6** of this bill remove the licensing requirement for a person to
- 16 operate as a cash access and wagering instrument service provider. **Section 6** also



17 removes the licensing requirement for persons who provide certain intellectual
18 property or information via a database or customer list.

19 Existing law makes it unlawful to manufacture, sell or distribute certain items
20 related to gaming without procuring and maintaining the required licensure. (NRS
21 463.650) **Section 4** of this bill makes it unlawful for a person to manufacture, sell
22 or distribute any associated equipment related to gaming without first procuring and
23 maintaining the required licensure. **Sections 4 and 5** of this bill also require the
24 Commission to adopt regulations prescribing the requirements for such licensure
25 and the fees for the issuance or renewal of a license to manufacture, sell or
26 distribute associated equipment.

27 Existing law authorizes the Commission to provide by regulation for the
28 operation of interactive gaming and the licensing of: (1) the operation of interactive
29 gaming; (2) a manufacturer of interactive gaming systems; (3) a manufacturer of
30 equipment associated with interactive gaming; and (4) an interactive gaming
31 service provider. (NRS 463.750-463.767) **Sections 7-10** of this bill remove and
32 repeal the provisions authorizing the Commission to license manufacturers of
33 equipment associated with interactive gaming.

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

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

3 463.0157 1. "Gaming employee" means any person
4 connected directly with an operator of a slot route, the operator of a
5 pari-mutuel system, the operator of an inter-casino linked system or
6 a manufacturer, distributor or disseminator, or with the operation of
7 a gaming establishment licensed to conduct any game, 16 or more
8 slot machines, a race book, sports pool or pari-mutuel wagering,
9 including:

10 (a) Accounting or internal auditing personnel who are directly
11 involved in any recordkeeping or the examination of records
12 associated with revenue from gaming;

13 (b) Boxpersons;

14 (c) Cashiers;

15 (d) Change personnel;

16 (e) Counting room personnel;

17 (f) Dealers;

18 (g) Employees of a person required by NRS 464.010 to be
19 licensed to operate an off-track pari-mutuel system;

20 (h) Employees of a person required by NRS 463.430 to be
21 licensed to disseminate information concerning racing and
22 employees of an affiliate of such a person involved in assisting the
23 person in carrying out the duties of the person in this State;

24 (i) Employees whose duties are directly involved with the
25 manufacture, repair, sale or distribution of gaming devices,
26 *associated equipment when the employer is required by*



1 *NRS 463.650 to be licensed*, cashless wagering systems, mobile
2 gaming systems, equipment associated with mobile gaming systems
3 ~~[] or interactive gaming systems ; [or equipment associated with~~
4 ~~interactive gaming:]~~

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

7 (k) Employees of operators of inter-casino linked systems,
8 mobile gaming systems or interactive gaming systems whose duties
9 include the operational or supervisory control of the systems or the
10 games that are part of the systems;

11 (l) Employees of operators of call centers who perform, or who
12 supervise the performance of, the function of receiving and
13 transmitting wagering instructions;

14 (m) Employees who have access to the Board's system of
15 records for the purpose of processing the registrations of gaming
16 employees that a licensee is required to perform pursuant to the
17 provisions of this chapter and any regulations adopted pursuant
18 thereto;

19 (n) Floorpersons;

20 (o) Hosts or other persons empowered to extend credit or
21 complimentary services;

22 (p) Keno runners;

23 (q) Keno writers;

24 (r) Machine mechanics;

25 (s) Odds makers and line setters;

26 (t) Security personnel;

27 (u) Shift or pit bosses;

28 (v) Shills;

29 (w) Supervisors or managers;

30 (x) Ticket writers;

31 (y) Employees of a person required by NRS 463.160 to be
32 licensed to operate an information service;

33 (z) Employees of a licensee who have local access and provide
34 management, support, security or disaster recovery services for any
35 hardware or software that is regulated pursuant to the provisions of
36 this chapter and any regulations adopted pursuant thereto; and

37 (aa) Temporary or contract employees hired by a licensee to
38 perform a function related to gaming.

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

43 3. As used in this section, "local access" means access to
44 hardware or software from within a licensed gaming establishment,
45 hosting center or elsewhere within this State.



1 **Sec. 2.** NRS 463.01715 is hereby amended to read as follows:
2 463.01715 1. “Manufacture” means:

3 (a) To manufacture, produce, program, design, control the
4 design of or make modifications to a gaming device, *associated*
5 *equipment*, cashless wagering system, mobile gaming system or
6 interactive gaming system for use or play in Nevada;

7 (b) To direct, control or assume responsibility for the methods
8 and processes used to design, develop, program, assemble, produce,
9 fabricate, compose and combine the components and other tangible
10 objects of any gaming device, *associated equipment*, cashless
11 wagering system, mobile gaming system or interactive gaming
12 system for use or play in Nevada; or

13 (c) To assemble, or control the assembly of, a gaming device,
14 *associated equipment*, cashless wagering system, mobile gaming
15 system or interactive gaming system for use or play in Nevada.

16 2. As used in this section:

17 (a) “Assume responsibility” means to:

18 (1) Acquire complete control over, or ownership of, the
19 applicable gaming device, *associated equipment*, cashless wagering
20 system, mobile gaming system or interactive gaming system; and

21 (2) Accept continuing legal responsibility for the gaming
22 device, *associated equipment*, cashless wagering system, mobile
23 gaming system or interactive gaming system, including, without
24 limitation, any form of manufacture performed by an affiliate or
25 independent contractor.

26 (b) “Independent contractor” means, with respect to a
27 manufacturer, any person who:

28 (1) Is not an employee of the manufacturer; and

29 (2) Pursuant to an agreement with the manufacturer, designs,
30 develops, programs, produces or composes a control program used
31 in the manufacture of a gaming device. As used in this
32 subparagraph, “control program” has the meaning ascribed to it in
33 NRS 463.0155.

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

35 463.160 1. Except as otherwise provided in subsection 4 and
36 NRS 463.172, it is unlawful for any person, either as owner, lessee
37 or employee, whether for hire or not, either solely or in conjunction
38 with others:

39 (a) To deal, operate, carry on, conduct, maintain or expose for
40 play in the State of Nevada any gambling game, gaming device,
41 inter-casino linked system, mobile gaming system, slot machine,
42 race book or sports pool;

43 (b) To provide or maintain any information service;

44 (c) To operate a gaming salon;



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

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

8 ~~—(f)]~~ To operate, carry on, conduct, maintain or expose for play in
9 or from the State of Nevada any interactive gaming system,

10 ↪ without having first procured, and thereafter maintaining in
11 effect, all federal, state, county and municipal gaming licenses as
12 required by statute, regulation or ordinance or by the governing
13 board of any unincorporated town.

14 2. The licensure of an operator of an inter-casino linked system
15 is not required if:

16 (a) A gaming licensee is operating an inter-casino linked system
17 on the premises of an affiliated licensee; or

18 (b) An operator of a slot machine route is operating an inter-
19 casino linked system consisting of slot machines only.

20 3. Except as otherwise provided in subsection 4, it is unlawful
21 for any person knowingly to permit any gambling game, slot
22 machine, gaming device, inter-casino linked system, mobile gaming
23 system, race book or sports pool to be conducted, operated, dealt or
24 carried on in any house or building or other premises owned by the
25 person, in whole or in part, by a person who is not licensed pursuant
26 to this chapter, or that person's employee.

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

31 5. For the purposes of this section, the operation of a race book
32 or sports pool includes making the premises available for any of the
33 following purposes:

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

36 (b) Accepting wagers from patrons;

37 (c) Allowing patrons to place wagers;

38 (d) Paying winning wagers to patrons; or

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

43 ↪ whether by a transaction in person at an establishment or through
44 mechanical means, such as a kiosk or similar device, regardless of
45 whether that device would otherwise be considered associated



1 equipment. A separate license must be obtained for each location at
2 which such an operation is conducted.

3 6. As used in this section, “affiliated licensee” has the meaning
4 ascribed to it in NRS 463.430.

5 **Sec. 4.** NRS 463.650 is hereby amended to read as follows:

6 463.650 1. Except as otherwise provided in subsections 2 to
7 ~~5.~~ 6, inclusive, it is unlawful for any person, either as owner,
8 lessee or employee, whether for hire or not, to operate, carry on,
9 conduct or maintain any form of manufacture, selling or distribution
10 of any gaming device, *associated equipment*, cashless wagering
11 system, mobile gaming system or interactive gaming system for use
12 or play in Nevada without first procuring and maintaining all
13 required federal, state, county and municipal licenses.

14 2. A lessor who specifically acquires equipment for a capital
15 lease is not required to be licensed under this section or
16 NRS 463.660.

17 3. The holder of a state gaming license or the holding company
18 of a corporation, partnership, limited partnership, limited-liability
19 company or other business organization holding a license may,
20 within 2 years after cessation of business or upon specific approval
21 by the Board, dispose of by sale in a manner approved by the Board,
22 any or all of its gaming devices, including slot machines, mobile
23 gaming systems, *associated equipment* and cashless wagering
24 systems, without a distributor’s license. In cases of bankruptcy of a
25 state gaming licensee or foreclosure of a lien by a bank or other
26 person holding a security interest for which gaming devices are
27 security in whole or in part for the lien, the Board may authorize the
28 disposition of the gaming devices without requiring a distributor’s
29 license.

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

32 (a) Gaming devices for home use in accordance with NRS
33 463.160; or

34 (b) Antique gaming devices,

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

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

38 (a) A law enforcement agency;

39 (b) A court of law; or

40 (c) A gaming device repair school licensed by the Commission
41 on Postsecondary Education,

42 ➔ may be disposed of by sale, in a manner approved by the Board,
43 without a distributor’s license. An application for approval must be
44 submitted to the Board in the manner prescribed by the Chair.



1 6. *The Commission shall adopt regulations that prescribe,*
2 *without limitation, the requirements for licensing a person who*
3 *manufactures, sells or distributes associated equipment. The*
4 *Commission may, in its sole discretion, subject to the requirements*
5 *set forth in this chapter and consistent with the public policy of*
6 *this State concerning gaming, exempt a manufacturer, seller or*
7 *distributor of associated equipment from any licensing*
8 *requirement.*

9 7. Any person who the Commission determines is a suitable
10 person to receive a license under the provisions of this section and
11 NRS 463.660 may be issued a manufacturer's or distributor's
12 license. The burden of proving his or her qualification to receive or
13 hold a license under this section and NRS 463.660 is at all times on
14 the applicant or licensee.

15 ~~7.7~~ 8. Every person who must be licensed pursuant to this
16 section is subject to the provisions of NRS 463.482 to 463.645,
17 inclusive, unless exempted from those provisions by the
18 Commission.

19 ~~8.8~~ 9. The Commission may exempt, for any purpose, a
20 manufacturer, seller or distributor from the provisions of NRS
21 463.482 to 463.645, inclusive, if the Commission determines that
22 the exemption is consistent with the purposes of this chapter.

23 ~~9.9~~ 10. Any person conducting business in Nevada who is not
24 required to be licensed as a manufacturer, seller or distributor
25 pursuant to subsection 1, but who otherwise must register with the
26 Attorney General of the United States pursuant to Title 15 of U.S.C.,
27 must submit to the Board a copy of such registration within 10 days
28 after submission to the Attorney General of the United States.

29 ~~10.10~~ 11. It is unlawful for any person, either as owner, lessee
30 or employee, whether for hire or not, to knowingly distribute any
31 gaming device, cashless wagering system, mobile gaming system,
32 interactive gaming system or associated equipment from Nevada to
33 any jurisdiction where the possession, ownership or use of any such
34 device, system or equipment is illegal.

35 ~~11.11~~ 12. As used in this section:

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

38 (b) "Holding company" has the meaning ascribed to it in
39 NRS 463.485.

40 **Sec. 5.** NRS 463.660 is hereby amended to read as follows:

41 463.660 1. ~~The~~ *Except as otherwise provided in subsection*
42 *2, the* Commission shall charge and collect from each applicant a
43 fee of:

44 (a) For the issuance or renewal of a manufacturer's license,
45 \$1,000.



1 (b) For the issuance or renewal of a seller's or distributor's
2 license, \$500.

3 2. *The Commission shall prescribe by regulation the fees for*
4 *the issuance or renewal of a license to manufacture, sell or*
5 *distribute associated equipment.*

6 3. All licenses must be issued for the calendar year beginning
7 on January 1 and expiring on December 31. If the operation is
8 continuing, the Commission shall charge and collect the fee
9 prescribed by subsection 1 *or 2, as applicable*, on or before
10 December 31 for the ensuing calendar year. Regardless of the date
11 of application or issuance of the license, the fee to be charged and
12 collected under this section is the full annual fee.

13 ~~3~~ 4. All license fees collected pursuant to this section must
14 be paid over immediately to the State Treasurer to be deposited to
15 the credit of the State General Fund.

16 **Sec. 6.** NRS 463.677 is hereby amended to read as follows:

17 463.677 1. The Legislature finds that:

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

25 (b) To protect and promote the health, safety, morals, good
26 order and general welfare of the inhabitants of this State, and to
27 carry out the public policy declared in NRS 463.0129, it is necessary
28 that the Board and Commission have the ability to license service
29 providers by maintaining strict regulation and control of the
30 operation of such service providers and all persons and locations
31 associated therewith.

32 2. Except as otherwise provided in subsection 3, the
33 Commission may, with the advice and assistance of the Board,
34 provide by regulation for the licensing and operation of a service
35 provider and all persons, locations and matters associated therewith.
36 Such regulations may include, without limitation:

37 (a) Provisions requiring the service provider to meet the
38 qualifications for licensing pursuant to NRS 463.170, in addition to
39 any other qualifications established by the Commission, and to be
40 licensed regardless of whether the service provider holds any other
41 license.

42 (b) Criteria regarding the location from which the service
43 provider conducts its operations, including, without limitation,
44 minimum internal and operational control standards established by
45 the Commission.



1 (c) Provisions relating to the licensing of persons owning or
2 operating a service provider, and any persons having a significant
3 involvement therewith, as determined by the Commission.

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

9 (e) Additional matters which the Commission deems necessary
10 and appropriate to carry out the provisions of this section and which
11 are consistent with the public policy of this State pursuant to NRS
12 463.0129, including that a service provider must be liable to the
13 licensee on whose behalf the services are provided for the service
14 provider's proportionate share of the fees and taxes paid by the
15 licensee.

16 3. The Commission may not adopt regulations pursuant to this
17 section until the Commission first determines that service providers
18 are secure and reliable, do not pose a threat to the integrity of
19 gaming and are consistent with the public policy of this State
20 pursuant to NRS 463.0129.

21 4. Regulations adopted by the Commission pursuant to this
22 section must provide that the premises on which a service provider
23 conducts its operations are subject to the power and authority of the
24 Board and Commission pursuant to NRS 463.140, as though the
25 premises are where gaming is conducted and the service provider is
26 a gaming licensee.

27 5. As used in this section:

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

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

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

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

38 ~~(4) Provides the trademarks, trade names, service marks or~~
39 ~~similar intellectual property under which an establishment licensed to~~
40 ~~operate interactive gaming identifies its interactive gaming~~
41 ~~system to patrons;~~

42 ~~(5) Provides information regarding persons to an~~
43 ~~establishment licensed to operate interactive gaming via a database~~
44 ~~or customer list; or~~



1 ~~— (6)]~~ Provides products, services, information or assets to an
2 establishment licensed to operate interactive gaming and receives
3 therefor a percentage of gaming revenue from the establishment’s
4 interactive gaming system.

5 (b) “Service provider” means a person who:

6 (1) Acts on behalf of another licensed person who conducts
7 nonrestricted gaming operations, and who assists, manages,
8 administers or controls wagers or games, or maintains or operates
9 the software or hardware of games on behalf of such a licensed
10 person, and is authorized to share in the revenue from games
11 without being licensed to conduct gaming at an establishment;

12 (2) Is an interactive gaming service provider; *or*

13 ~~(3) [Is a cash access and wagering instrument service~~
14 ~~provider; or~~

15 ~~— (4)]~~ Meets such other or additional criteria as the
16 Commission may establish by regulation.

17 **Sec. 7.** NRS 463.750 is hereby amended to read as follows:

18 463.750 1. The Commission shall, with the advice and
19 assistance of the Board, adopt regulations governing the licensing
20 and operation of interactive gaming.

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

23 (a) Establish the investigation fees for:

24 (1) A license to operate interactive gaming;

25 (2) A license for a manufacturer of interactive gaming
26 systems; *and*

27 ~~(3) [A license for a manufacturer of equipment associated~~
28 ~~with interactive gaming; and~~

29 ~~— (4)]~~ A license for a service provider to perform the actions
30 described in paragraph (a) of subsection 5 of NRS 463.677.

31 (b) Provide that:

32 (1) A person must hold a license for a manufacturer of
33 interactive gaming systems to supply or provide any interactive
34 gaming system, including, without limitation, any piece of
35 proprietary software or hardware; *and*

36 ~~(2) [A person may be required by the Commission to hold a~~
37 ~~license for a manufacturer of equipment associated with interactive~~
38 ~~gaming; and~~

39 ~~— (3)]~~ A person must hold a license for a service provider
40 perform the actions described in paragraph (a) of subsection 5 of
41 NRS 463.677.

42 (c) Except as otherwise provided in subsections 6 to 10,
43 inclusive, set forth standards for the suitability of a person to be
44 licensed as a manufacturer of interactive gaming systems ~~];~~
45 ~~manufacturer of equipment associated with interactive gaming]~~ or a



1 service provider as described in paragraph (b) of subsection 5 of
2 NRS 463.677 that are as stringent as the standards for a
3 nonrestricted license.

4 (d) Set forth provisions governing:

5 (1) The initial fee for a license for a service provider as
6 described in paragraph (b) of subsection 5 of NRS 463.677.

7 (2) The fee for the renewal of such a license for such a
8 service provider and any renewal requirements for such a license.

9 (3) Any portion of the license fee paid by a person licensed
10 to operate interactive gaming, pursuant to subsection 1 of NRS
11 463.770, for which a service provider may be liable to the person
12 licensed to operate interactive gaming.

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

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

21 (g) Define ~~["equipment associated with interactive gaming,"]~~
22 "interactive gaming system," ~~["manufacturer of equipment~~
23 ~~associated with interactive gaming,"]~~ "manufacturer of interactive
24 gaming systems," "operate interactive gaming" and "proprietary
25 hardware and software" as the terms are used in this chapter.

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

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

32 (b) In a county whose population is 45,000 or more but less than
33 700,000, the establishment is a resort hotel that holds a nonrestricted
34 license to operate games and gaming devices or the establishment:

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

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

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

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



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

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

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

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

13 (3) Operates either:

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

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

18 4. The Commission may:

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

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

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

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

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

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

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

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

35 (b) A covered person may not be found suitable for licensure
36 under this section unless such covered person expressly submits to
37 the jurisdiction of the United States and of each state in which
38 patrons of interactive gaming operated by such covered person after
39 December 31, 2006, were located, and agrees to waive any statutes
40 of limitation, equitable remedies or laches that otherwise would
41 preclude prosecution for a violation of any provision of federal law
42 or the law of any state in connection with such operation of
43 interactive gaming after that date;



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

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

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

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

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

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

21 (b) In the case of a covered person described in paragraph (c) of
22 subsection 1 of NRS 463.014645, the assets that the person will use
23 in connection with interactive gaming for which the covered person
24 applies for a finding of suitability were not used after December 31,
25 2006, in violation of any provision of federal law or the law of any
26 state; and

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

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

43 9. The Commission shall make a determination pursuant to
44 subsections 7 and 8 with respect to a covered person or covered
45 asset without regard to whether the conduct of the covered person or



1 the use of the covered asset was ever the subject of a criminal
2 proceeding for a violation of any provision of federal law or the law
3 of any state, or whether the person has been prosecuted and the
4 prosecution terminated in a manner other than with a conviction.

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

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

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

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

18 **Sec. 8.** NRS 463.760 is hereby amended to read as follows:

19 463.760 1. Before issuing a license for a manufacturer of
20 interactive gaming systems , ~~[or manufacturer of equipment~~
21 ~~associated with interactive gaming,]~~ the Commission shall charge
22 and collect a license fee of ~~[-~~

23 ~~—(a) One hundred and twenty five thousand dollars]~~ **\$125,000** for
24 a license for a manufacturer of interactive gaming systems . ~~[-; or~~

25 ~~—(b) Fifty thousand dollars for a license for a manufacturer of~~
26 ~~equipment associated with interactive gaming.]~~

27 2. Each license issued pursuant to this section must be issued
28 for a 1-year period that begins on the date the license is issued.

29 3. Before renewing a license issued pursuant to this section, but
30 in no case later than 1 year after the license was issued or previously
31 renewed, the Commission shall charge and collect a renewal fee for
32 the renewal of the license for the immediately following 1-year
33 period. The renewal fee for a license for a manufacturer of
34 interactive gaming systems ~~[or manufacturer of equipment~~
35 ~~associated with interactive gaming]~~ is \$25,000.

36 **Sec. 9.** NRS 463.767 is hereby amended to read as follows:

37 463.767 1. The Commission may, with the advice and
38 assistance of the Board, adopt a seal for its use to identify:

39 (a) A license to operate interactive gaming;

40 (b) A license for a manufacturer of interactive gaming systems;

41 *and*

42 (c) ~~[A license for a manufacturer of equipment associated with~~
43 ~~interactive gaming; and~~

44 ~~—(d)]~~ A license for a service provider to perform the actions
45 described in paragraph (a) of subsection 5 of NRS 463.677.



- 1 2. The Chair of the Commission has the care and custody of
2 the seal.
- 3 3. The seal must have imprinted thereon the words “Nevada
4 Gaming Commission.”
- 5 4. A person shall not use, copy or reproduce the seal in any
6 way not authorized by this chapter or the regulations of the
7 Commission. Except under circumstances where a greater penalty is
8 provided in NRS 205.175, a person who violates this subsection is
9 guilty of a gross misdemeanor.
- 10 5. A person convicted of violating subsection 4 is, in addition
11 to any criminal penalty imposed, liable for a civil penalty upon each
12 such conviction. A court before whom a defendant is convicted of a
13 violation of subsection 4 shall, for each violation, order the
14 defendant to pay a civil penalty of \$5,000. The money so collected:
- 15 (a) Must not be deducted from any penal fine imposed by the
16 court;
- 17 (b) Must be stated separately on the court’s docket; and
- 18 (c) Must be remitted forthwith to the Commission.
- 19 **Sec. 10.** NRS 463.01395 and 463.755 are hereby repealed.
- 20 **Sec. 11.** This act becomes effective on July 1, 2015.

TEXT OF REPEALED SECTIONS

463.01395 “Cash access and wagering instrument service provider” defined. “Cash access and wagering instrument service provider” means a provider of services or devices for use by patrons of licensed gaming establishments to obtain cash or wagering instruments through a variety of automated methods, including, without limitation:

1. Wagering instrument issuance and redemption kiosks; or
2. Money transfers through mobile or Internet services.

463.755 Commission may require license for manufacturer and others selling, transferring or offering equipment associated with interactive gaming.

1. Upon the recommendation of the Board, the Commission may require:

(a) A manufacturer of equipment associated with interactive gaming who sells, transfers or offers equipment associated with interactive gaming for use or play in this state to file an application for a license to be a manufacturer of equipment associated with interactive gaming.



(b) A person who directly or indirectly is involved in the sale, transfer or offering for use or play in this state of equipment associated with interactive gaming who is not otherwise required to be licensed as a manufacturer or distributor pursuant to this chapter to file an application for a license to be a manufacturer of equipment associated with interactive gaming.

2. If a person fails to submit an application for a license to be a manufacturer of equipment associated with interactive gaming within 30 days after a demand by the Commission pursuant to this section, the Commission may pursue any remedy or combination of remedies provided in this chapter.

