

CHAPTER.....

AN ACT relating to gaming; revising the provisions concerning the establishment of branch offices of the State Gaming Control Board; revising the provisions relating to the confidentiality of certain information and data provided to or prepared by the Board and the Nevada Gaming Commission; authorizing the Board and Commission to require certain persons to be found suitable or licensed; making changes relating to the registration of gaming employees; making changes concerning disseminators of live broadcasts of racing; making various other changes relating to the regulation of gaming; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Section 1 of this bill adds a new definition of the term “manufacture,” and **sections 3-5** of this bill revise the definitions of the terms “gaming device,” “gaming employee” and “manufacturer” for the purposes of the statutory provisions governing the licensing and control of gaming. (NRS 463.0155, 463.0157, 463.0172)

Existing law authorizes the State Gaming Control Board to maintain branch offices in space provided by the Buildings and Grounds Division of the Department of Administration. **Section 6** of this bill removes the requirement regarding the Division and instead authorizes the Chairman of the Board to enter into leases or other agreements necessary to establish branch offices of the Board. (NRS 463.100) **Section 7** of this bill revises the provisions relating to the confidentiality of certain information and data provided to or prepared by the Board and the Nevada Gaming Commission. (NRS 463.120) **Section 8** of this bill deletes certain obsolete language relating to the reporting and keeping of records by casinos concerning transactions involving cash. (NRS 463.125)

Section 9 of this bill authorizes the Board and Commission to require a person to be found suitable or licensed if the person: (1) operates a call center within this State as an agent of a licensed race book or sports pool; or (2) has invented, has developed or owns the intellectual property rights to a game for which approval by the Commission is being sought or has been received. (NRS 463.162) **Section 10** of this bill requires any person granted a license or found suitable by the Commission to continue to meet the applicable standards and qualifications originally needed for the license or finding of suitability. (NRS 463.170) **Section 11** of this bill: (1) provides that a registered gaming employee must file a change of employment notice within 10 calendar days with the Board; and (2) authorizes the Board to charge a fee to process a change of employment notice, limited to the actual investigative and administrative costs related to processing the change of employment notice. (NRS 463.335) **Section 12** of this bill changes the time within which an agent of the Board must mail written notice concerning a dispute between a patron and licensee from 30 days to 45 days after the date the Board first receives notification concerning the dispute. (NRS 463.362)

Sections 13-16 and 20 of this bill: (1) revise the process for notification to disseminators of live broadcasts of racing concerning certain proposals to broadcast racing meets; (2) delete references to the Account for the Operation of Hearing



Panels; (3) authorize the Board to establish fees to be paid by a disseminator of a live broadcast, instead of a user; and (4) eliminate the requirement that the Commission is required to fix, regulate and control the rates to be charged by any disseminator of information concerning racing held at a track which uses the pari-mutuel system of wagering. (NRS 463.422, 463.423, 463.426, 463.445)

Section 17 of this bill provides that to the extent practicable, the provisions of the Nevada Gaming Control Act that apply to a limited partnership shall be deemed to apply to a registered limited-liability partnership or a foreign registered limited-liability partnership. (NRS 463.563)

Section 18.5 of this bill authorizes the Commission to provide by regulation for: (1) the filing by manufacturers of reports and information governing independent contractors; (2) the registration of independent contractors; (3) procedures pursuant to which an independent contractor may be required to file an application for a finding of suitability; and (4) such other regulatory oversight of independent contractors as the Commission determines necessary and appropriate. (NRS 463.650) **Section 19** of this bill provides that: (1) no interest subject to the Nevada Gaming Control Act may be transferred to any heir or devisee from probate until the heir or devisee applies for and obtains all approvals necessary to hold or own such an interest from the Commission; and (2) if the heir or devisee fails to obtain all such necessary approvals, the entity in which the interest exists must purchase the interest for cash at fair market value based upon two appraisals.

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. “Manufacture” means:

(a) To manufacture, produce, program, design, control the design of, maintain a copyright over or make modifications to a gaming device, cashless wagering system, mobile gaming system or interactive gaming system;

(b) To direct, control or assume responsibility for the methods and processes used to design, develop, program, assemble, produce, fabricate, compose and combine the components and other tangible objects of any gaming device, cashless wagering system, mobile gaming system or interactive gaming system; or

(c) To assemble, or control the assembly of, a gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

2. As used in this section, “assume responsibility” means to acquire complete control over, or ownership of, the applicable gaming device, cashless wagering system, mobile gaming system or interactive gaming system.

Sec. 2. NRS 463.013 is hereby amended to read as follows:

463.013 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 463.0133 to



463.01967, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.

Sec. 3. NRS 463.0155 is hereby amended to read as follows:

463.0155 “Gaming device” means any ~~{equipment—of mechanical, electromechanical or electronic contrivance, component or machine}~~ *object* used remotely or directly in connection with gaming or any game which affects the result of a wager by determining win or loss ~~{;}~~ *and which does not otherwise constitute associated equipment.* The term includes ~~{;}~~, *without limitation:*

1. A slot machine.
2. A collection of two or more of the following components:
 - (a) An assembled electronic circuit which cannot be reasonably demonstrated to have any use other than in a slot machine;
 - (b) A cabinet with electrical wiring and provisions for mounting a coin, token or currency acceptor and provisions for mounting a dispenser of coins, tokens or anything of value;
 - (c) A storage medium containing ~~{the source language or executable code of a computer program that cannot be reasonably demonstrated to have any use other than in a slot machine;~~
 - ~~—(d) An assembled video display unit;~~
 - ~~—(e)}~~ *a control program;*
 - (d) An assembled mechanical or electromechanical display unit intended for use in gambling; or
 - ~~{(f)}~~ (e) An assembled mechanical or electromechanical unit which cannot be demonstrated to have any use other than in a slot machine.
3. Any ~~{mechanical, electrical or other device}~~ *object* which may be connected to or used with a slot machine to alter the normal criteria of random selection or affect the outcome of a game.
4. A system for the accounting or management of any game in which the result of the wager is determined electronically by using any combination of hardware or software for computers.
5. *A control program.*
6. Any combination of one of the components set forth in paragraphs (a) to ~~{(f)}~~ (e), inclusive, of subsection 2 and any other component which the Commission determines by regulation to be a machine used directly or remotely in connection with gaming or any game which affects the results of a wager by determining a win or loss.

7. *Any object that has been determined to be a gaming device pursuant to regulations adopted by the Commission.*

↳ *As used in this section, “control program” means any software, source language or executable code which affects the result of a*



wager by determining win or loss as determined pursuant to regulations adopted by the Commission.

Sec. 4. NRS 463.0157 is hereby amended to read as follows:

463.0157 1. "Gaming employee" means any person connected directly with 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, including:

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

(b) Boxmen;

(c) Cashiers;

(d) Change personnel;

(e) Counting room personnel;

(f) Dealers;

(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~~ ***and employees of an affiliate of such a person involved in assisting the person in carrying out the duties of the person in this State;***

(i) Employees whose duties are directly involved with the manufacture, repair, ***sale*** or distribution of gaming devices, cashless wagering systems, mobile gaming systems, equipment associated with mobile gaming systems, interactive gaming systems or equipment associated with interactive gaming;

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

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

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

(m) Employees ~~[whose responsibilities include performing the duties relating to the process of registration]~~ ***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;

~~[(m)]~~ (n) Floormen;

~~[(n)]~~ (o) Hosts or other persons empowered to extend credit or complimentary services;

~~[(o)]~~ (p) Keno runners;

~~[(p)]~~ (q) Keno writers;

~~[(q)]~~ (r) Machine mechanics;

~~[(r)]~~ (s) Odds makers and line setters;

~~[(s)]~~ (t) Security personnel;

~~[(t)]~~ (u) Shift or pit bosses;

~~[(u)]~~ (v) Shifts;

~~[(v)]~~ (w) Supervisors or managers;

~~[(w)]~~ (x) Ticket writers; ~~and~~

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

(z) *Temporary or contract employees hired by a licensee to perform a function related to gaming.*

2. "Gaming employee" does not include *barbacks*, bartenders, cocktail waitresses or other persons engaged exclusively in preparing or serving food or beverages.

Sec. 5. NRS 463.0172 is hereby amended to read as follows:

463.0172 "Manufacturer" means a person who ~~[(1)]~~:

~~1. Manufactures, assembles, programs or makes modifications to a gaming device, cashless wagering system, mobile gaming system or interactive gaming system; or~~

~~2. Designs, assumes responsibility for the design of, controls the design or assembly of, or maintains a copyright over the design of, a mechanism, electronic circuit or computer program which cannot be reasonably demonstrated to have any application other than in a gaming device, cashless wagering system, mobile gaming system or interactive gaming system for use or play in this State or for distribution outside of this State.]~~ *operates, carries on, conducts or maintains any form of manufacture.*

Sec. 6. NRS 463.100 is hereby amended to read as follows:

463.100 1. The Board shall keep its main office at Carson City, Nevada, in conjunction with the Commission in rooms provided by the Buildings and Grounds Division of the Department of Administration.

2. The Board may, in its discretion, maintain a branch office in Las Vegas, Nevada, or at any other place in this ~~[(state, in space to be provided by the Buildings and Grounds Division.)]~~ *State as the Chairman of the Board deems necessary for the efficient*



operation of the Board. The Chairman of the Board may enter into such leases or other agreements as may be necessary to establish a branch office.

Sec. 7. NRS 463.120 is hereby amended to read as follows:

463.120 1. The Board and the Commission shall cause to be made and kept a record of all proceedings at regular and special meetings of the Board and the Commission. These records are open to public inspection.

2. The Board shall maintain a file of all applications for licenses under this chapter and chapter 466 of NRS, together with a record of all action taken with respect to those applications. The file and record are open to public inspection.

3. The Board and the Commission may maintain such other files and records as they may deem desirable.

4. Except as otherwise provided in this ~~subsection and subsection 5.~~ **section**, all information and data:

(a) Required by the Board or Commission to be furnished to it under ~~this chapter~~ **chapters 462 to 466, inclusive, of NRS or any regulations adopted pursuant thereto** or which may be otherwise obtained relative to the finances, earnings or revenue of any applicant or licensee;

(b) Pertaining to an applicant's *or natural person's* criminal record, antecedents and background which have been furnished to or obtained by the Board or Commission from any source;

(c) Provided to the members, agents or employees of the Board or Commission by a governmental agency or an informer or on the assurance that the information will be held in confidence and treated as confidential;

(d) Obtained by the Board from a manufacturer, distributor or operator, or from an operator of an inter-casino linked system, relating to the manufacturing of gaming devices or the operation of an inter-casino linked system; or

(e) Prepared or obtained by an agent or employee of the Board or Commission ~~relating to an application for a license, a finding of suitability or any approval that is required~~ pursuant to ~~the provisions of this chapter,~~ **an audit, investigation, determination or hearing,**

↪ are confidential and may be revealed in whole or in part only in the course of the necessary administration of this chapter or upon the lawful order of a court of competent jurisdiction. The Board and Commission may reveal such information and data to an authorized agent of any agency of the United States Government, any state or any political subdivision of a state or the government of any foreign



country. Notwithstanding any other provision of state law, such information may not be otherwise revealed without specific authorization by the Board or Commission.

5. Notwithstanding any other provision of state law, any and all information and data prepared or obtained by an agent or employee of the Board or Commission relating to an application for a license, a finding of suitability or any approval that is required pursuant to the provisions of chapters 462 to 466, inclusive, or any regulations adopted pursuant thereto, are confidential and absolutely privileged and may be revealed in whole or in part only in the course of the necessary administration of such provisions and with specific authorization and waiver of the privilege by the Board or Commission. The Board and Commission may reveal such information and data to an authorized agent of any agency of the United States Government, any state or any political subdivision of a state or the government of any foreign country.

6. Before the beginning of each legislative session, the Board shall submit to the Legislative Commission for its review and for the use of the Legislature a report on the gross revenue, net revenue and average depreciation of all licensees, categorized by class of licensee and geographical area and the assessed valuation of the property of all licensees, by category, as listed on the assessment rolls.

~~**6-]**~~ **7.** Notice of the content of any information or data furnished or released pursuant to subsection 4 may be given to any applicant or licensee in a manner prescribed by regulations adopted by the Commission.

~~**7-]**~~ **8.** The files, records and reports of the Board are open at all times to inspection by the Commission and its authorized agents.

~~**8-]**~~ **9.** All files, records, reports and other information pertaining to gaming matters in the possession of the Nevada Tax Commission must be made available to the Board and the Nevada Gaming Commission as is necessary to the administration of this chapter.

~~**9-]**~~ **10.** The Nevada Gaming Commission, by the affirmative vote of a majority of its members, may remove from its records the name of a debtor and the amount of tax, penalty and interest, or any of them, owed by him, if after 5 years it remains impossible or impracticable to collect such amounts. The Commission shall establish a master file containing the information removed from its official records by this section.



Sec. 8. NRS 463.125 is hereby amended to read as follows:

463.125 1. The Commission may ~~[, for the purpose of obtaining an exemption from the requirements of the Department of Treasury on reporting and keeping of records by casinos,]~~ require nonrestricted licensees with an annual gross revenue of \$1,000,000 or more to report and keep records of all transactions involving cash.

2. A gaming licensee, or a director, officer, employee, affiliate or agent of the gaming licensee, who makes a disclosure to the Commission, the Board or any other law enforcement agency of a possible violation or circumvention of law or regulation regarding a transaction involving cash has absolute immunity from civil liability for that disclosure or for the failure to notify a person involved in the transaction or any other person of that disclosure.

3. The absolute privilege set forth in NRS 463.3407 also applies to the copy of a report of a suspicious transaction filed with the Board as required by regulations adopted pursuant to subsection 1.

Sec. 9. NRS 463.162 is hereby amended to read as follows:

463.162 1. Except as otherwise provided in subsections 2 and 3, 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:

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



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

(c) That is a wholly owned subsidiary of:

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

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

(d) Who is licensed as a distributor and who rents or leases any equipment of any gambling game , including any slot machine, under a bona fide agreement where the payments are a fixed sum determined in advance and not determined as a percentage of the revenue derived from the equipment or slot machine.

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

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

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

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

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

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

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

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



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

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

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

Sec. 10. NRS 463.170 is hereby amended to read as follows:

463.170 1. Any person who the Commission determines is qualified to receive a license, to be found suitable or to receive any approval required under the provisions of this chapter, or to be found suitable regarding the operation of a charitable lottery under the provisions of chapter 462 of NRS, having due consideration for the proper protection of the health, safety, morals, good order and general welfare of the inhabitants of the State of Nevada and the declared policy of this State, may be issued a state gaming license, be found suitable or receive any approval required by this chapter, as appropriate. The burden of proving his qualification to receive any license, be found suitable or receive any approval required by this chapter is on the applicant.

2. An application to receive a license or be found suitable must not be granted unless the Commission is satisfied that the applicant is:

(a) A person of good character, honesty and integrity;

(b) A person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of this State or to the effective regulation and control of gaming or charitable lotteries, or create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the



conduct of gaming or charitable lotteries or in the carrying on of the business and financial arrangements incidental thereto; and

(c) In all other respects qualified to be licensed or found suitable consistently with the declared policy of the State.

3. A license to operate a gaming establishment or an inter-casino linked system must not be granted unless the applicant has satisfied the Commission that:

(a) The applicant has adequate business probity, competence and experience, in gaming or generally; and

(b) The proposed financing of the entire operation is:

(1) Adequate for the nature of the proposed operation; and

(2) From a suitable source.

↳ Any lender or other source of money or credit which the Commission finds does not meet the standards set forth in subsection 2 may be deemed unsuitable.

4. An application to receive a license or be found suitable constitutes a request for a determination of the applicant's general character, integrity, and ability to participate or engage in, or be associated with gaming or the operation of a charitable lottery, as appropriate. Any written or oral statement made in the course of an official proceeding of the Board or Commission by any member thereof or any witness testifying under oath which is relevant to the purpose of the proceeding is absolutely privileged and does not impose liability for defamation or constitute a ground for recovery in any civil action.

5. The Commission may in its discretion grant a license to:

(a) A publicly traded corporation which has complied with the provisions of NRS 463.625 to 463.643, inclusive;

(b) Any other corporation which has complied with the provisions of NRS 463.490 to 463.530, inclusive;

(c) A limited partnership which has complied with the provisions of NRS 463.564 to 463.571, inclusive; and

(d) A limited-liability company which has complied with the provisions of NRS 463.5731 to 463.5737, inclusive.

6. No limited partnership, except one whose sole limited partner is a publicly traded corporation which has registered with the Commission, or a limited-liability company, or business trust or organization or other association of a quasi-corporate character is eligible to receive or hold any license under this chapter unless all persons having any direct or indirect interest therein of any nature whatever, whether financial, administrative, policymaking or supervisory, are individually qualified to be licensed under the provisions of this chapter.



7. The Commission may, by regulation:

(a) Limit the number of persons who may be financially interested and the nature of their interest in any corporation, other than a publicly traded corporation, limited partnership, limited-liability company or other organization or association licensed under this chapter; and

(b) Establish such other qualifications for licenses as it may, in its discretion, deem to be in the public interest and consistent with the declared policy of the State.

8. Any person granted a license or found suitable by the Commission shall continue to meet the applicable standards and qualifications set forth in this section and any other qualifications established by the Commission by regulation. The failure to continue to meet such standards and qualifications constitutes grounds for disciplinary action.

Sec. 11. 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 he 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 becomes employed as a gaming employee at another or additional gaming establishment, he 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 mailed or delivered to the Board within 5 business days after receipt unless the date is administratively extended by the Chairman of the Board for good cause. 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 he is eligible for registration as a gaming employee. In conducting the investigation, two complete sets 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 and the fees charged by the Central Repository for Nevada Records of Criminal History and the Federal Bureau of Investigation to process the fingerprints of an 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. ~~[No fee may be charged by the Board to cover the actual investigative and administrative costs related to processing a change of employment notice.]~~

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 he 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 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) Two complete sets 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 he 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 him 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 failure to appear at a hearing of the Board conducted pursuant to this section shall be 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 **[E]** and shall, within 45 days after the date of the hearing, mail to the applicant 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 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 or larceny 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.

➔ 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 his registration as a gaming employee, notwithstanding any other provision of this section, the Board may object to his registration. If the Board objects to his 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 Chairman 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 mailed to the applicant's last known address as indicated on the application for registration as a gaming employee or the record of the hearing, as the case may be. 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 notice shall be 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 Welfare and Supportive Services of the Department of Health and 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 his 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 he provides the Board with verifiable documentation confirming that he 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 he is currently in compliance with the provisions of chapter 179D of NRS, the Chairman 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 he is appointed by the Chairman, 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 Chairman, unless administratively extended by the Chairman 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 his 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 section shall be 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 he 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 him 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 mailed to the person's last known address 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 place of gaming employment. 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 notice shall be 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.

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. 12. 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 his 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 notice to the Board, the licensee and the patron of his decision resolving the dispute within ~~30~~ 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 notice of his decision 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 deemed sufficient if it is mailed to the last known address of the licensee and patron. 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 notice shall be 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. 13. NRS 463.422 is hereby amended to read as follows:

463.422 1. A disseminator who wishes to submit a proposal for the exclusive right to disseminate a live broadcast for a racing meet to users must give written notice to the Board ~~not earlier than~~



~~180 days nor later than 100 days before the racing meet begins. The Board may provide for a shorter period of notice.~~

~~2. Within 20 days after it] in accordance with the requirements established in the regulations adopted by the Commission.~~

2. After the Board receives such a notice, the Board shall ~~[give written notice to]~~ **notify** the disseminator indicating when a written proposal must be submitted. If the Board reviews the submitted proposals and determines that a hearing is necessary, the Board shall ~~[give written notice to]~~ **notify** each disseminator and user indicating that the Board intends to conduct a hearing to determine which disseminator will receive the exclusive right to disseminate a live broadcast for a racing meet to users.

3. If the Board reviews the submitted proposals and determines that the selection of a disseminator may be made without a hearing, it shall ~~[give written notice of its determination and selection to]~~ **notify** each disseminator and ~~[shall post such a notice in a conspicuous place in each of its offices in Las Vegas and Carson City for inspection by members of]~~ the public ~~[.]~~ **of its determination.**

4. All ~~[notices given]~~ **notifications provided** by the Board pursuant to this section must ~~[contain]~~ :

(a) **Contain** all information ; and

(b) **Conform with all requirements relating to the manner, timing and form for such notifications,**

↳ **that** the Commission, with the advice and assistance of the Board, may prescribe by regulation.

Sec. 14. NRS 463.423 is hereby amended to read as follows:

463.423 1. Whenever the Board decides to conduct a hearing to determine which disseminator will receive the exclusive right to disseminate a live broadcast for a racing meet to users, the Board shall appoint a hearing panel, consisting of three members, to conduct the hearing. The Commission, with the advice and assistance of the Board, shall prescribe by regulation the qualifications of those members.

2. The members of the panel are entitled to receive the necessary expenses incurred in carrying out their duties as prescribed by the Board. ~~[The expenses must be paid from the account for the operation of hearing panels.]~~

3. The Board may enter into agreements necessary to provide for the services of the members of the hearing panels appointed pursuant to this section.



4. The Board shall provide from its staff such additional personnel as it deems necessary to carry out the provisions of this section.

Sec. 15. NRS 463.426 is hereby amended to read as follows:

463.426 The Board may:

1. Authorize a disseminator to enter into an agreement with a track to disseminate to users a live broadcast which is received from the track.

2. Establish fees to be paid by a ~~[user]~~ *disseminator* of a live broadcast in an amount which is equal to the cost of carrying out the provisions of NRS 463.421 to 463.427, inclusive.

~~[3.—The Board shall deposit the fees with the State Treasurer for credit to the Account for the Operation of Hearing Panels. Any interest earned on money in the Account must be credited to that Account.]~~

Sec. 16. NRS 463.445 is hereby amended to read as follows:

463.445 1. Except as otherwise provided in subsection 3, the Commission ~~[shall]~~ *may* fix, regulate and control the rates to be charged by any disseminator of information concerning racing held at a track which uses the pari-mutuel system of wagering, but the rates must be just and reasonable.

2. The Commission may require any licensee who subscribes to a disseminator's service to report financial information relating to wagering and amounts won on each track or event, and may publish this information to ensure that the rates are just and reasonable.

3. The provisions of subsection 1 do not apply to the rates to be charged for the dissemination of live broadcasts.

Sec. 17. NRS 463.563 is hereby amended to read as follows:

463.563 1. The policy of the State of Nevada with respect to the issuance of state gaming licenses to limited partnerships is:

(a) To broaden the opportunity for investment in gaming through the pooling of capital in limited partnership form.

(b) To maintain effective control over the conduct of gaming by limited partnership licensees.

(c) To restrain any speculative promotion of limited partnership interests in gaming enterprises.

2. *To the extent practicable, the provisions of this chapter that apply to a limited partnership shall be deemed to apply to a registered limited-liability partnership as defined in NRS 87.020 or 87.4311 or a foreign registered limited-liability partnership.*

3. The Commission may waive, either selectively or by general regulation, one or more of the requirements of NRS 463.564 to 463.572, inclusive, if it makes a written finding that a waiver is



consistent with the state policy set forth in NRS 463.0129 and this section.

Sec. 18. (Deleted by amendment.)

Sec. 18.5. NRS 463.650 is hereby amended to read as follows:

463.650 1. Except as otherwise provided in subsections 2 to 5, inclusive, 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, mobile gaming system or interactive gaming system for use or play in Nevada or for distribution outside of 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 or NRS 463.660.

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, mobile gaming systems 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 Chairman.



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

7. 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.

8. 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.

9. *The Commission may provide by regulation for:*

(a) The filing by a manufacturer of reports and information regarding:

(1) Any independent contractor; and

(2) The business arrangements between the manufacturer and an independent contractor.

(b) Registration of independent contractors.

(c) Procedures pursuant to which an independent contractor may be required to file an application for a finding of suitability.

(d) Such other regulatory oversight of independent contractors as the Commission determines is necessary and appropriate.

10. As used in this section:

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

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

(c) "Independent contractor" means, with respect to a manufacturer, any person who:

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

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

Sec. 19. Chapter 148 of NRS is hereby amended by adding thereto a new section to read as follows:

1. No interest subject to the jurisdiction of the Nevada Gaming Control Act may be transferred to any heir or devisee from probate until the heir or devisee has received all approvals



necessary to hold or own such an interest from the Nevada Gaming Commission.

2. Such an heir or devisee must seek all such necessary approvals through the filing of all appropriate applications with the State Gaming Control Board within 1 year after the interest becomes subject to probate or within such later period as the Chairman of the Board determines in his sole and absolute discretion.

3. If any such heir or devisee fails to file full and complete applications for all such necessary approvals within 1 year after the interest becomes subject to probate or within such later period as the Chairman of the Board determines, or if the Commission denies any application for such necessary approvals:

(a) The court shall immediately order that an appraisal of the interest must be conducted by two independent appraisers, one of whom must have experience appraising gaming assets. The costs of both appraisals must be paid by the estate.

(b) Within 30 days after receipt of both appraisals, the court shall offer and the entity in which the interest exists shall purchase the interest for cash at fair market value as determined by the court based upon the appraisals conducted pursuant to paragraph (a). The Commission may deem a failure to purchase the interest as offered to be a voluntary surrender of any gaming license, registration or approval held by the entity in which the interest exists.

Sec. 19.5. NRS 239.0115 is hereby amended to read as follows:

239.0115 1. Except as otherwise provided in this subsection and subsection 3, notwithstanding any provision of law that has declared a public book or record, or a part thereof, to be confidential, if a public book or record has been in the legal custody or control of one or more governmental entities for at least 30 years, a person may apply to the district court of the county in which the governmental entity that currently has legal custody or control of the public book or record is located for an order directing that governmental entity to allow the person to inspect or copy the public book or record, or a part thereof. If the public book or record pertains to a natural person, a person may not apply for an order pursuant to this subsection until the public book or record has been in the legal custody or control of one or more governmental entities for at least 30 years or until the death of the person to whom the public book or record pertains, whichever is later.



2. There is a rebuttable presumption that a person who applies for an order as described in subsection 1 is entitled to inspect or copy the public book or record, or a part thereof, that he seeks to inspect or copy.

3. The provisions of subsection 1 do not apply to any book or record:

(a) Declared confidential pursuant to ~~subsection 4 of~~ NRS 463.120.

(b) Containing personal information pertaining to a victim of crime that has been declared by law to be confidential.

Sec. 20. Any balance existing in the Account for the Operation of Hearing Panels on June 30, 2009, must be transferred to the Account for Racing and Pari-Mutuel Wagering created pursuant to NRS 466.080 on July 1, 2009.

Sec. 21. 1. This section and sections 4, 6 to 12, inclusive, and 14 to 20, inclusive, of this act become effective on July 1, 2009.

2. Sections 3 and 13 of this act become effective:

(a) Upon passage and approval, for the purpose of adopting regulations; and

(b) On October 1, 2009, for all other purposes.

3. Sections 1, 2 and 5 of this act become effective on October 1, 2009.



